



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020



NCPRD IS A SERVICE DISTRICT OF CLACKAMAS COUNTY, OREGON



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

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Prepared by:

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

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

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

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INTRODUCTORY SECTION

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NORTH CLACKAMAS PARKS & RECREATION DISTRICT

Administration

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ncprd.com

December 16, 2020

To the Honorable Chair Jim Bernard, Commissioner Paul Savas, Commissioner Martha Schrader, Commissioner Sonya Fischer, Commissioner Ken Humberston, and Citizens of the North Clackamas Parks and Recreation District (NCPRD):

State law requires that every local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2020.

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

Moss Adams, LLP Certified Public Accountants, have issued an unmodified opinion on NCPRD's financial statements for the year ended June 30, 2020. The Independent Auditor's Report is located at the front of the financial section of this report.

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

Profile of the Government

NCPRD (the District), created November 21, 1990, is located in the urbanized northwest portion of Clackamas County (the County), one of Oregon's fastest growing regions. As of July 1, 2020, the District includes a large unincorporated area of urban Clackamas County and the City of Milwaukie. It does not include the bordering cities of Happy Valley, Gladstone or Johnson City. Of the District's approximately 105,000 residents, roughly 3/4 live in the unincorporated area and 1/4 live in the City of Milwaukie. The District is bounded on the east by SE 177th Avenue, on the west by the Willamette River, by the Multnomah/Clackamas County boundary to the north, and by the Clackamas River to the south. The District includes key areas of economic activity within the County, including one of the State's largest commercial concentrations at Clackamas Town Center and the Clackamas Promenade shopping center, both thriving retail centers. Another strong area of economic activity is the industrial/commercial corridor along Highway 212/224.

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

The District was formed as a County Service District under Oregon Revised Statute Chapter 451, and is a component unit of Clackamas County. The five-member Board of County Commissioners serves as the Board of Directors (Board) for the District and the Commissioners are elected on a non-partisan basis. Board members serve four-year terms and the Chair is specifically elected by voters. The Chair and other Board members are elected not by geographic region but at-large.

The Budget Committee is composed of the Commissioners plus five citizen members who reside within the District. The Budget Committee reviews and approves the budget annually. As of the writing of this letter, a nine-member citizen District Advisory Board (DAB) exists to make recommendations to the Board of Directors and Budget Committee. We are currently working on an update to the DAB Bylaws and plan to have them completed by the end of the year.

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

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

Local Economic Condition and Outlook

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Long-term Financial Planning

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

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

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

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

Capital Improvement Plan

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

Milwaukie Bay Park

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

Boardman Nature Park

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

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

Robert Kronberg Nature Park

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

Concord Master Plan

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

Happy Valley Litigation/Withdrawal

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

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty-fourth consecutive year the District received the award. In order to be awarded such a Certificate, the District had to publish an easily-readable, efficiently-organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the District and especially the District's Finance Department. We express appreciation to all staff members who assisted and contributed to its preparation. Credit must also be given to the Board of County Commissioners for their support in maintaining the highest standards of public service in the management of the District and to our citizen members who serve on both the Budget Committee and District Advisory Board.

Respectfully submitted,

Kandi Ho

Kandi Ho
Acting Director
North Clackamas Parks and Recreation District

Elizabeth Gomez

Elizabeth Gomez
Financial Operations Manager
North Clackamas Parks and Recreation District



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

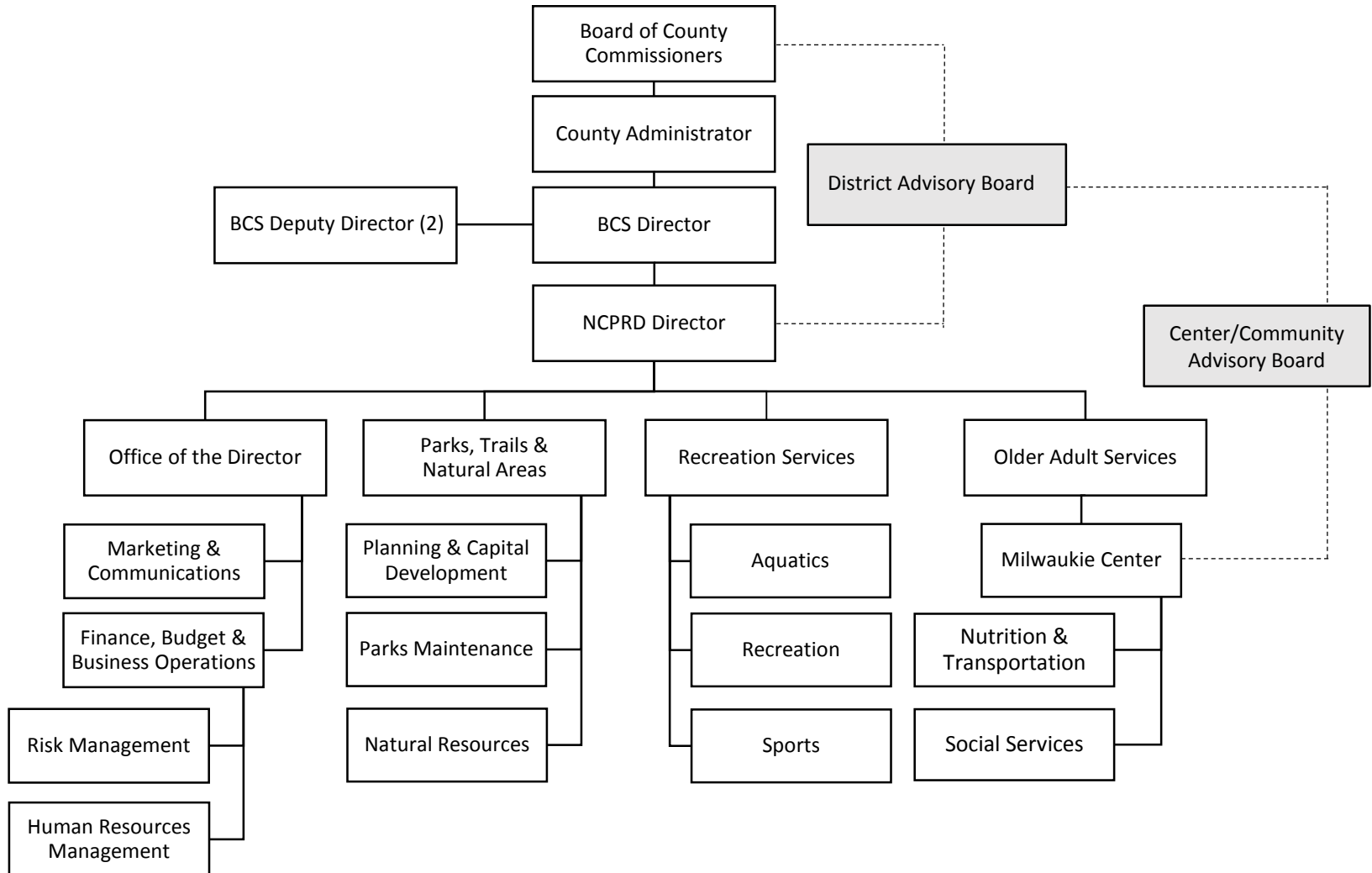
Christopher P. Morill

Executive Director/CEO



North Clackamas Parks and Recreation District

Organization Chart
Fiscal Year 2019-2020



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

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

Public Services Building
2051 Kaen Road
Oregon City, Oregon 97045

COMMISSIONERS AS OF JUNE 30, 2020

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



ACTING DIRECTOR

Kandi Ho

ADMINISTRATIVE OFFICES

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

LEGAL COUNSEL

Stephen Madkour
2051 Kaen Road
Oregon City, Oregon 97045

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITORS

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Report of Independent Auditors

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the respective budgetary comparisons of the General Fund, Nutrition and Transportation Fund, System Development Charges Zone 1 Fund, System Development Charges Zone 2 Fund, and System Development Charges Zone 3 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position and in the respective budgetary comparisons for the of the General Fund, Nutrition and Transportation Fund, System Development Charges Zone 1 Fund, System Development Charges Zone 2 Fund, and System Development Charges Zone 3 Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedules on pages 39 through 41 and schedule of property tax transactions on page 43, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections

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

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

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by *Oregon Minimum Standards*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 16, 2020, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This discussion and analysis of the North Clackamas Parks and Recreation District's financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- Assets of the District exceeded liabilities at the close of the fiscal year by \$53,470,621. Of this amount, \$11,471,987 may be used to meet ongoing obligations.
- Net position decreased by \$14,585,657. The decrease is due in large part to the payment of \$14,300,000 and transfer of properties to the City of Happy Valley as dictated by the settlement agreement and withdrawal of the City from the District. Please see the Letter of Transmittal and Notes to Financial Statements for a detail of the settlement agreement with the City of Happy Valley.
- Governmental funds reported a combined ending fund balance of \$24,002,834, a decrease of \$13,398,070 from the prior year. Please see the Reconciliation of Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances to Statement of Activities on page 18 which reconciles the decrease in fund balances to the decrease in net position in detail.
- The District's total debt decreased by \$2,590,000 due the payment in full on existing debt principal.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net position of the District decreased over the prior year. The decrease arises from the excess of expenses over revenues, and is due in large part to the payment to the City of Happy Valley per the settlement agreement. This is shown in the Statement of Activities and flows to the Statement of Net Position.

Statement of Net Position

A condensed version of the Statement of Net Position for fiscal years ended June 30, 2020 and June 30, 2019 follows:

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

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

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

While all programs experienced increases in wages and benefits expenses, overall program expenses decreased by \$167,629 or -1.7%, due to the restructuring of culture and recreation program offerings and a decrease in debt interest. The District continues to put forth a strong effort to provide services in the most cost effective manner possible.

Program-specific expenses exceeded program revenues in 2020 by \$3,970,103 as compared to \$3,968,428 in the prior year. Property taxes collected within the District are used to fund this gap in funding. The change reflects the increase in wages and benefits mentioned above, as well as a restructuring of Culture and Recreation program offerings. In addition, capital expenses and depreciation expenses decreased compared to the prior year.

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

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

FUND ANALYSIS

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

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

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

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

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

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

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

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

General Fund Budgetary Highlights

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

CAPITAL ASSETS

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

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

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

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

DEBT ADMINISTRATION

Full Faith and Credit Refunding Bonds were issued in 2010 to refund the Limited Tax Revenue Refunding Bonds issued in 2000. The original debt was issued in 1993 to pay for the construction of the District's Aquatic Facility and construction of several neighborhood parks. The payment of principal and interest is payable from property taxes assessed by Clackamas County to residents of the District. The new Refunding Bonds had a term of fifteen years and a variable interest rate between 2.5% and 4.0% per annum. In April 2020, this debt was paid in full.

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

| | 2020 | 2019 |
|-----------------------------------|------|--------------|
| Full Faith and Credit Obligations | \$ - | \$ 2,590,000 |
| | \$ - | \$ 2,590,000 |

ECONOMIC FACTORS

Property taxes represent a significant revenue source for the District's governmental funds, 58.1% and 49.8% of total revenues in 2020 and 2019, respectively. This increase in the percentage of property taxes in relation to total revenues is largely attributable to the property taxes collected in 2020 from the City of Happy Valley. Beginning July 1, 2020, the District will no longer collect property taxes from the residents in the City of Happy Valley per the settlement agreement. All program areas are dependent upon property taxes; therefore, it is appropriate in this section to discuss the continued effect Measure 50 is having on the District.

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

The District is also dependent on System Development Charge (SDC) revenue, which is generated through new residential and commercial development throughout the District. These resources are used to fund growth-related capital projects within the District. In fiscal year 2018-2019, SDC revenue was \$1,073,696 and increased to \$2,205,769 in fiscal year 2019-2020. This increase is largely due to the increase in construction and collection of SDCs from zones 1 and 2, as previously noted. Since SDCs are one of the only revenue sources available to construct new capital assets, staff must monitor and forecast this revenue on a regular basis to ensure projections accurately reflect the economic climate of the County and surrounding Portland Metro area.

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

FINANCIAL CONTACT

The District's financial statements are designed to present users (residents, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the Financial Operations Manager at 150 Beaver Creek Road, Oregon City, Oregon 97045. The District's telephone number is (503)742-4352. You can also reach us through our web page at www.ncprd.com.

BASIC FINANCIAL STATEMENTS

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | | Net (Expense) Revenue and Change in Net Position |
|------------------------------------|------------------|-------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Culture, education and recreation | \$ 7,434,393 | \$ 1,343,443 | \$ 1,130,720 | \$ 2,833,282 | \$ (2,126,948) |
| Health and welfare | 2,377,903 | 315,128 | 269,068 | - | (1,793,707) |
| Interest on long-term debt | 49,448 | - | - | - | (49,448) |
| Total | 9,861,744 | 1,658,571 | 1,399,788 | 2,833,282 | (3,970,103) |
| GENERAL REVENUES | | | | | |
| | | | | | 7,839,539 |
| | | | | | 727,519 |
| | | | | | 99,500 |
| | | | | | 8,666,558 |
| SPECIAL ITEM | | | | | |
| | | | | | (19,282,112) |
| CHANGE IN NET POSITION | | | | | (14,585,657) |
| NET POSITION, July 1, 2019 | | | | | 68,056,278 |
| NET POSITION, June 30, 2020 | | | | | \$ 53,470,621 |

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

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

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

| | |
|---|---------------------------------|
| TOTAL FUND BALANCE | \$ 24,002,834 |
| <p>Total net position shown in the Statement of Net Position and the Statement of Activities are different because:</p> | |
| <p>Capital assets are not financial resources for fund reporting purposes and therefore are not reported in the governmental funds.</p> | 28,709,906 |
| <p>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.</p> | <u>757,881</u> |
| TOTAL NET POSITION | <u><u>\$ 53,470,621</u></u> |

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

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

| | Special Revenue Funds | | | | | Debt Service Fund | Capital Projects Funds | | Total |
|--|-----------------------|-----------------------------------|--|--|--|-------------------------------|------------------------|--------------------------------|----------------------|
| | General Fund | Nutrition and Transportation Fund | System Development Charges Zone 1 Fund | System Development Charges Zone 2 Fund | System Development Charges Zone 3 Fund | Series 2010 Debt Service Fund | Capital Projects Fund | Capital Asset Replacement Fund | |
| | | | | | | | | | |
| REVENUES: | | | | | | | | | |
| Property taxes | \$ 7,833,028 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,833,028 |
| Licenses and permits | - | - | 1,673,693 | 440,294 | 91,782 | - | - | - | 2,205,769 |
| Interest | 176,331 | 10,748 | 59,261 | 49,782 | 155,061 | 33,567 | 150,804 | 91,965 | 727,519 |
| Intergovernmental | 175,963 | 421,519 | 30,467 | 8,986 | 1,873 | - | - | - | 638,808 |
| Charges for services | 1,639,776 | 18,795 | - | - | - | - | - | - | 1,658,571 |
| Interfund services provided | 139,921 | - | - | - | - | - | - | - | 139,921 |
| Donations/Grants | 33,351 | 148,876 | - | - | - | - | - | - | 182,227 |
| Miscellaneous | 96,872 | 2,628 | - | - | - | - | - | - | 99,500 |
| TOTAL REVENUES | 10,095,242 | 602,566 | 1,763,421 | 499,062 | 248,716 | 33,567 | 150,804 | 91,965 | 13,485,343 |
| EXPENDITURES: | | | | | | | | | |
| Current: | | | | | | | | | |
| Culture, education and recreation | 6,284,506 | - | 159,406 | 16,897 | 4,944 | 385 | - | 1,673 | 6,467,811 |
| Health and welfare | 1,474,144 | 676,118 | - | - | - | - | - | - | 2,150,262 |
| Capital outlay | - | - | - | - | - | - | 837,975 | 423,302 | 1,261,277 |
| Debt service: | | | | | | | | | |
| Principal | - | - | - | - | - | 395,000 | - | - | 395,000 |
| Bond defeasance | - | - | - | - | - | 2,195,000 | - | - | 2,195,000 |
| Interest and fiscal charges | - | - | - | - | - | 114,063 | - | - | 114,063 |
| TOTAL EXPENDITURES | 7,758,650 | 676,118 | 159,406 | 16,897 | 4,944 | 2,704,448 | 837,975 | 424,975 | 12,583,413 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 2,336,592 | (73,552) | 1,604,015 | 482,165 | 243,772 | (2,670,881) | (687,171) | (333,010) | 901,930 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | |
| Transfers in | - | 200,000 | - | - | - | 1,246,625 | 805,323 | - | 2,251,948 |
| Transfers out | (696,625) | - | (232,000) | (430,578) | (142,745) | - | - | (750,000) | (2,251,948) |
| TOTAL OTHER FINANCING SOURCES (USES) | (696,625) | 200,000 | (232,000) | (430,578) | (142,745) | 1,246,625 | 805,323 | (750,000) | - |
| SPECIAL ITEM | | | | | | | | | |
| Settlement agreement | - | - | - | - | (9,369,530) | - | (4,930,470) | - | (14,300,000) |
| NET CHANGE IN FUND BALANCE | 1,639,967 | 126,448 | 1,372,015 | 51,587 | (9,268,503) | (1,424,256) | (4,812,318) | (1,083,010) | (13,398,070) |
| FUND BALANCE, JUNE 30, 2019 | 5,226,214 | 308,916 | 2,568,671 | 2,201,568 | 11,591,232 | 1,686,649 | 9,322,083 | 4,495,571 | 37,400,904 |
| FUND BALANCE, JUNE 30, 2020 | \$ 6,866,181 | \$ 435,364 | \$ 3,940,686 | \$ 2,253,155 | \$ 2,322,729 | \$ 262,393 | \$ 4,509,765 | \$ 3,412,561 | \$ 24,002,834 |

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

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

| | | |
|---|-------------|-----------------|
| NET CHANGE IN FUND BALANCES | | \$ (13,398,070) |
| <p>The change in net position reported in the Statement of Activities is different because:</p> | | |
| <p>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.</p> | | |
| Capital outlay | 1,119,693 | |
| Depreciation | (1,192,561) | |
| Assets transferred to another entity | (4,982,112) | (5,054,980) |
| <p>Property developers often contribute land and improvements to local governments as part of agreements to develop the land. As capital assets are not recognized at the fund level, neither are the contributed capital items.</p> | | |
| Contributed capital | | 627,513 |
| <p>Long-term debt principal payments are recorded as expenditures in the governmental funds and issuance of long-term debt is recorded as an other financing source. In the Statement of Activities issuance of long-term debt reduces net position and the payment of long-term debt principal increases net position.</p> | | |
| Amortization of bond premium | | 59,654 |
| Amortization of deferred refunding | | (28,913) |
| Payment of long-term debt principal | | 2,590,000 |
| <p>In the Statement of Activities interest is accrued on long-term debt and the expense reduces net position. In the governmental funds interest expense is only recognized when it is due.</p> | | |
| | | 33,875 |
| <p>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.</p> | | |
| | | 585,264 |
| CHANGE IN NET POSITION | | \$ (14,585,657) |

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

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

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

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

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 1 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

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

Expenditures/Other Financing Uses reconciliation:

| | |
|--|---------------------|
| Expenditures, budgetary basis | \$ 30,467 |
| Interfund services (U.S. GAAP Basis) | 128,939 |
| Expenditures (U.S. GAAP Basis) | <u>\$ 159,406</u> |
| Other financing uses, budgetary basis | \$ (360,939) |
| Interfund services | 128,939 |
| Other financing uses (U.S. GAAP Basis) | <u>\$ (232,000)</u> |

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 2 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

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

Expenditures/Other Financing Uses reconciliation:

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 3 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

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

Expenditures/Other Financing Uses reconciliation:

| | |
|--|---------------------|
| Expenditures, budgetary basis | \$ 9,371,403 |
| Interfund services (U.S. GAAP Basis) | 3,071 |
| Expenditures (U.S. GAAP Basis) | <u>\$ 9,374,474</u> |
| Other financing uses, budgetary basis | \$ (145,816) |
| Interfund services | 3,071 |
| Other financing uses (U.S. GAAP Basis) | <u>\$ (142,745)</u> |

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

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NOTES TO BASIC FINANCIAL STATEMENT

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District

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

Basis of Presentation, Measurement Focus, and Basis of Accounting

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

The District reports the following major funds:

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

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

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

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

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

The Series 2010 Debt Service Fund is a debt service fund accounting for resources to pay the District's 2010 bonded debt.

The Capital Projects Fund accounts for expenditures funded primarily by the issuance of long-term debt, system development charges, and grant revenue designated for the construction of specific capital projects. The District deems the Fund is important enough to be reported as major for qualitative reasons.

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

The District reports the following fund types:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus and Basis of Accounting

Fund types (Continued):

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

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

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

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

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

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

Fund Balances

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

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

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

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

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

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

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

The Board of County Commissioners has adopted Resolution No. 2019-67 approving the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted resources are available for the specific purpose for which it is restricted. When unrestricted fund balance is spent, the District will consider that committed amounts will be reduced first, followed by assigned amounts, and lastly, unassigned fund balance.

Fund balances by classification for the year ended June 30, 2020 were as follows:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Cash and Investments

ORS 294.035 authorizes the District to invest in general obligations of the United States and its agencies, debt obligations of the state of Oregon, California, Idaho, and Washington and their political subdivisions, banker's acceptances, corporate indebtedness, commercial paper, repurchase agreements, time certificates of deposit, fixed or variable life insurance contracts, and the State Treasurer's Local Government Investment Pool (LGIP). Cash and investments comprise funds held and invested by the County Treasurer and the LGIP. Authority to manage the investment program is granted to the publicly elected County Treasurer, and the District may not engage in an investment transaction without approval of the Treasurer. All bank deposits shall be held in qualified Oregon depositories in accordance with ORS Chapter 295. Financial information required by Governmental Accounting Standards Board Statements (GASB) No. 3, No. 31, No. 40, and No. 72 regarding the accounting and financial reporting for the District's pooled cash and investments, held by the County Treasurer, has been disclosed in the County's Comprehensive Annual Financial Report for the year ended June 30, 2020.

Property Taxes Receivable

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

Accounts Receivable

Accounts receivable consists of charges for services and outstanding system development charges generated from new residential and commercial development throughout the District. All accounts receivable are shown net of an allowance for uncollectible accounts. As of June 30, 2020, the District believes all accounts receivable are fully collectible and an allowance for uncollectible accounts is not warranted.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the balance sheet reports a separate section for *deferred inflows of resources*, which represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The recorded balance is a

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

portion of the District's revenue that is collected after year-end and meets the recognition in future periods requirement of deferred inflows of resources.

Capital Assets

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

Pension Plan

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY [BUDGET]

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

- Property taxes susceptible to accrual are recognized on a cash basis.
- Interfund services provided are recorded as transfers in and out rather than revenues and expenditures.

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

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

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

of appropriation transfers between object levels and require approval by the Board. The Board adopted two supplemental budgets during the year for less than 10% of the fund's original budget. Appropriations lapse as of fiscal year-end.

3. CASH AND INVESTMENTS

Cash and investments are comprised of the following:

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

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

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

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

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

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

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

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

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

3. CASH AND INVESTMENTS (CONTINUED)

State statutes authorize the District to invest in general obligations of the U.S. Government and in its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements and bankers' acceptances, among others. Reference should be made to the June 30, 2020 Comprehensive Annual Financial Report of Clackamas County for compliance with these statutes.

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

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020, are as follows:

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

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

5. CAPITAL ASSETS

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

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

Depreciation expense was charged as follows:

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

6. DUE TO/FROM CLACKAMAS COUNTY

\$510,788 is due to Clackamas County as of June 30, 2020 related to services received.

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

7. TRANSFERS TO/FROM OTHER FUNDS

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

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

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to errors and omissions; automobile; damage to and destruction of assets; and bodily injury for which the District participates in the County's self-insurance program. The District makes payments to the County's self-insurance internal service funds based on historical cost information estimates of the amounts needed to pay prior year and current year claims, claim reserves, premiums, and administrative costs of the program.

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

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

9. LONG-TERM DEBT

The Aquatic Park debt issued in 1993 was refunded in May 2000 by the issuance of \$8,560,000 in Limited Tax Revenue Refunding Bonds. To take advantage of low interest rates, the debt was again refunded in January 2010 by the issuance of Full Faith and Credit Refunding Bonds in the amount of \$5,660,000; life of debt was extended by 5 years. This debt was retired in the fiscal year ended June 30, 2020.

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

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

10. TAX ABATEMENTS

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

Enterprise Zone:

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

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

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

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

11. GROUND LEASE

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

12. RELATED-PARTY TRANSACTIONS

Labor and fringe benefit costs, administrative expenses for accounting, risk management, human resource management, technology services, public and government affairs, records management and other professional services totaling \$5,745,778 were paid to various County departments. At June 30, 2020, the District owed the County \$510,788 for such services. Internal County departments allocate their expenses to all County departments including the District. Labor and fringe benefit costs for the District are based on actual costs and all other administrative costs are based on historical actual costs and allocated based on an activity-based costing methodology.

13. SPECIAL ITEM

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

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

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

13. SPECIAL ITEM (CONTINUED)

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

14. COMMITMENTS AND CONTINGENCIES

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

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

15. SUBSEQUENT EVENT

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

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SUPPLEMENTARY INFORMATION

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SERIES 2010 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

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

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

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OTHER FINANCIAL SCHEDULE

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

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

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Statistical Section

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

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| <i>Financial Trends</i> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | 45-51 |
| <i>Revenue Capacity</i> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | 52-56 |
| <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. | 57-60 |
| <i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 61-62 |
| <i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | 63-65 |

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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)

| Fiscal Year Ended June 30, | Net Investment in Capital Assets | Restricted for Debt Service | Restricted for Acquisition and Development | Unrestricted | Total Net Position |
|-------------------------------------|--|--------------------------------------|---|--------------|-----------------------|
| 2011 (Restated) | 21,055,761 | 83,344 | 1,882,388 | 5,188,746 | 28,210,239 |
| 2012 | 21,277,204 | 196,938 | 3,554,234 | 5,412,404 | 30,440,780 |
| 2013 | 28,149,582 | 108,550 | 5,190,846 | 5,185,931 | 38,634,909 |
| 2014 | 28,695,599 | 108,503 | 5,888,077 | 7,111,677 | 41,803,856 |
| 2015 | 31,487,485 | 108,956 | 9,180,650 | 6,835,003 | 47,612,094 |
| 2016 | 31,573,020 | 1,609,806 | 12,675,699 | 7,948,666 | 53,807,191 |
| 2017 | 31,608,504 | 1,611,355 | 15,681,999 | 9,120,486 | 58,022,344 |
| 2018 | 27,320,530 | 1,500,000 | 25,855,807 | 10,354,456 | 65,030,793 |
| 2019 | 30,487,718 | 1,500,000 | 25,683,555 | 10,385,006 | 68,056,279 |
| 2020 | 28,709,906 | - | 13,288,728 | 11,471,987 | 53,470,621 |

Source: Clackamas County Finance Department

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

| | Fiscal Year | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2011 (Restated) | 2012 | 2013 | 2014 |
| Expenses: | | | | |
| Culture, education and recreation | \$ 6,003,725 | \$ 5,686,708 | \$ 6,594,107 | \$ 6,400,741 |
| Health and welfare | 2,429,902 | 2,282,523 | 2,653,230 | 2,557,450 |
| Interest on long-term debt | 475,573 | 430,037 | 409,488 | 462,994 |
| Total expenses | <u>8,909,200</u> | <u>8,399,268</u> | <u>9,656,825</u> | <u>9,421,185</u> |
| Program Revenues: | | | | |
| Charges for services: | | | | |
| Culture, education and recreation | 2,409,847 | 3,102,933 | 3,220,860 | 3,501,228 |
| Health and welfare | 1,082,685 | 1,206,696 | 1,315,563 | 1,390,998 |
| Operating grants and contributions: | | | | |
| Culture, education and recreation | 780,870 | 383,558 | 328,305 | 650,916 |
| Health and welfare | 350,825 | 493,329 | 484,537 | 448,983 |
| Capital grants and contributions: | | | | |
| Culture, education and recreation | - | - | 6,892,951 | 508,379 |
| Total program revenues | <u>4,624,227</u> | <u>5,186,516</u> | <u>12,242,216</u> | <u>6,500,504</u> |
| Net Expense | <u>(4,284,973)</u> | <u>(3,212,752)</u> | <u>2,585,391</u> | <u>(2,920,681)</u> |
| General Revenues: | | | | |
| Property taxes levied for general purposes | 5,168,112 | 5,347,036 | 5,414,332 | 5,989,488 |
| Earnings on investments | 22,844 | 36,493 | 50,801 | 52,818 |
| Interagency transfer in | - | - | - | - |
| Loss on disposal of capital assets | - | - | (10,782) | - |
| Miscellaneous | 110,349 | 59,764 | 154,387 | 47,322 |
| Total general revenues | <u>5,301,305</u> | <u>5,443,293</u> | <u>5,608,738</u> | <u>6,089,628</u> |
| Change In Net Position before Special Item | 1,016,332 | 2,230,541 | 8,194,129 | 3,168,947 |
| Special Item: | | | | |
| Gain on capital asset disposal | - | - | - | - |
| (Loss) on settlement agreement | - | - | - | - |
| Change In Net Position | 1,016,332 | 2,230,541 | 8,194,129 | 3,168,947 |
| Cumulative effect of correction of error | 2,236,375 | - | - | - |
| Total Change In Net Position | <u>\$ 3,252,707</u> | <u>\$ 2,230,541</u> | <u>\$ 8,194,129</u> | <u>\$ 3,168,947</u> |

Notes:

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

Source: Clackamas County Finance Department

| | | Fiscal Year | | | | | | | | | |
|----|-------------------|-------------|--------------------|------|--------------------|------|--------------------|----|--------------------|----|---------------------|
| | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | | |
| \$ | 6,941,053 | \$ | 6,546,071 | \$ | 6,913,076 | \$ | 8,198,709 | \$ | 7,410,746 | \$ | 7,434,393 |
| | 3,151,514 | | 2,424,393 | | 2,512,913 | | 1,992,348 | | 2,489,894 | | 2,377,903 |
| | 390,654 | | 369,622 | | 347,982 | | 287,707 | | 128,732 | | 49,448 |
| | <u>10,483,221</u> | | <u>9,340,086</u> | | <u>9,773,971</u> | | <u>10,478,764</u> | | <u>10,029,372</u> | | <u>9,861,744</u> |
| | 3,469,954 | | 1,643,259 | | 1,705,683 | | 2,013,611 | | 1,920,593 | | 1,343,443 |
| | 1,625,996 | | 490,843 | | 516,216 | | 327,797 | | 450,510 | | 315,128 |
| | 760,915 | | 528,012 | | 197,348 | | 357,715 | | 1,147,078 | | 1,130,720 |
| | 522,277 | | 504,616 | | 509,763 | | 335,348 | | 269,068 | | 269,068 |
| | <u>3,590,561</u> | | <u>3,847,875</u> | | <u>3,925,943</u> | | <u>2,338,138</u> | | <u>2,273,696</u> | | <u>2,833,282</u> |
| | <u>9,969,703</u> | | <u>7,014,605</u> | | <u>6,854,953</u> | | <u>5,372,609</u> | | <u>6,060,945</u> | | <u>5,891,641</u> |
| | <u>(513,518)</u> | | <u>(2,325,481)</u> | | <u>(2,919,018)</u> | | <u>(5,106,155)</u> | | <u>(3,968,427)</u> | | <u>(3,970,103)</u> |
| | 6,240,654 | | 6,548,536 | | 6,870,480 | | 7,199,471 | | 5,917,835 | | 7,839,539 |
| | 61,274 | | 108,684 | | 261,026 | | 499,910 | | 949,549 | | 727,519 |
| | - | | 1,859,382 | | - | | - | | - | | - |
| | - | | - | | - | | - | | - | | - |
| | 19,828 | | 3,976 | | 2,665 | | 64,912 | | 126,529 | | 99,500 |
| | <u>6,321,756</u> | | <u>8,520,578</u> | | <u>7,134,171</u> | | <u>7,764,293</u> | | <u>6,993,913</u> | | <u>8,666,558</u> |
| | 5,808,238 | | 6,195,097 | | 4,215,153 | | 2,658,138 | | 3,025,486 | | 4,696,455 |
| | - | | - | | - | | 4,350,311 | | - | | - |
| | - | | - | | - | | - | | - | | (19,282,112) |
| | <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>5,808,238</u> | \$ | <u>6,195,097</u> | \$ | <u>4,215,153</u> | \$ | <u>7,008,449</u> | \$ | <u>3,025,486</u> | \$ | <u>(14,585,657)</u> |

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

| | Fiscal Year | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2011 | 2012 | 2013 | 2014 |
| General Fund: | | | | |
| Reserved for prepaid items | \$ - | \$ - | \$ - | \$ - |
| Unreserved | - | - | - | - |
| Nonspendable | 840 | 1,640 | 12,530 | 1,582 |
| Unassigned | 3,369,492 | 2,719,137 | 2,993,589 | 3,397,971 |
| Total General Fund | <u>\$ 3,370,332</u> | <u>\$ 2,720,777</u> | <u>\$ 3,006,119</u> | <u>\$ 3,399,553</u> |
| All Other Governmental Funds: | | | | |
| Special revenue funds: | | | | |
| Unreserved | \$ - | \$ - | \$ - | \$ - |
| Nonspendable | - | 99 | - | 120 |
| Restricted | 1,590,255 | 2,596,596 | 2,324,381 | 3,221,523 |
| Assigned | 763,252 | 763,156 | 632,599 | 609,599 |
| Capital project funds: | | | | |
| Unreserved | - | - | - | - |
| Nonspendable | - | - | - | - |
| Restricted | 393,982 | 1,036,967 | 2,866,465 | 2,666,554 |
| Assigned | 572,292 | 1,424,499 | 1,041,265 | 1,507,304 |
| Debt service funds: | | | | |
| Unreserved | - | - | - | - |
| Restricted | 251 | 196,938 | 108,550 | 108,503 |
| Assigned | 83,092 | - | 95,741 | 99,285 |
| Total All Other Governmental Funds | <u>\$ 3,403,124</u> | <u>\$ 6,018,255</u> | <u>\$ 7,069,001</u> | <u>\$ 8,212,888</u> |

Notes:

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

Source: Clackamas County Finance Department

Fiscal Year

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 18,362 | 9,636 | 14,375 | 12,591 | 1,615 | 2,950 |
| 3,541,816 | 4,369,031 | 4,669,479 | 5,464,227 | 5,224,600 | 6,863,231 |
| <u>\$ 3,560,178</u> | <u>\$ 4,378,667</u> | <u>\$ 4,683,854</u> | <u>\$ 5,476,818</u> | <u>\$ 5,226,215</u> | <u>\$ 6,866,181</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | 342 | - | - | - |
| 7,427,707 | 12,174,247 | 15,161,252 | 16,140,167 | 16,361,472 | 8,516,570 |
| 352,593 | 336,917 | 299,756 | 275,112 | 308,916 | 435,364 |
| - | - | - | - | - | - |
| 32,400 | - | - | - | - | - |
| 1,752,943 | 501,452 | 520,747 | 9,715,640 | 9,322,083 | 4,509,765 |
| 2,187,916 | 2,720,531 | 3,618,905 | 4,193,490 | 4,495,571 | 3,412,561 |
| - | - | - | - | - | - |
| 108,956 | 1,609,806 | 1,611,355 | 1,500,000 | 1,500,000 | 262,393 |
| 104,528 | 106,709 | 121,676 | 147,027 | 186,649 | - |
| <u>\$ 11,967,043</u> | <u>\$ 17,449,662</u> | <u>\$ 21,334,033</u> | <u>\$ 31,971,436</u> | <u>\$ 32,174,691</u> | <u>\$ 17,136,653</u> |

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

| | Fiscal Year | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2011 | 2012 | 2013 | 2014 |
| Revenues: | | | | |
| Property taxes | \$ 5,190,484 | \$ 5,292,033 | \$ 5,414,738 | \$ 5,978,500 |
| Charges for services | 1,403,186 | 1,733,102 | 1,982,668 | 2,307,795 |
| Intergovernmental | 22,844 | 749,943 | 883,538 | 741,117 |
| Licenses and permits | 891,019 | 2,576,527 | 2,483,299 | 1,720,686 |
| Interest | 2,089,346 | 36,493 | 50,801 | 52,817 |
| Contributions | 182,152 | 126,944 | 158,187 | 162,202 |
| Grants | - | - | - | - |
| Miscellaneous | 110,349 | 59,764 | 154,387 | 28,702 |
| Total revenues | <u>9,889,380</u> | <u>10,574,806</u> | <u>11,127,618</u> | <u>10,991,819</u> |
| Expenditures: | | | | |
| Culture and recreation | 4,728,427 | 4,984,606 | 5,367,104 | 5,297,436 |
| Health and welfare | 1,945,635 | 2,008,466 | 2,158,197 | 2,104,611 |
| Capital outlay | 735,632 | 559,030 | 1,210,641 | 993,113 |
| Debt service: | | | | |
| Interest | 457,391 | 427,128 | 410,588 | 394,338 |
| Principal | 600,000 | 630,000 | 645,000 | 665,000 |
| Bond miscellaneous charges | - | - | - | - |
| Total expenditures | <u>8,467,085</u> | <u>8,609,230</u> | <u>9,791,530</u> | <u>9,454,498</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,422,295</u> | <u>1,965,576</u> | <u>1,336,088</u> | <u>1,537,321</u> |
| Special Item: | | | | |
| Land sale proceeds | - | - | - | - |
| Settlement agreement | - | - | - | - |
| Net Change in Fund Balances | <u>\$ 1,422,295</u> | <u>\$ 1,965,576</u> | <u>\$ 1,336,088</u> | <u>\$ 1,537,321</u> |
| Debt service as a percentage of noncapital expenditures | 13.7% | 13.1% | 12.3% | 12.5% |

Source: Clackamas County Finance Department

Fiscal Year

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

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

| Fiscal Year Ended June 30, | Real Property | Personal Property | Manufactured Structures | Utilities | Less: Tax-Exempt Property |
|-------------------------------------|------------------|----------------------|----------------------------|-------------|---------------------------------|
| 2011 | 11,003,575,011 | 436,101,204 | 33,947,637 | 253,070,684 | 1,160,989,821 |
| 2012 | 11,354,569,712 | 386,090,839 | 32,711,207 | 247,419,694 | 1,241,400,122 |
| 2013 | 11,632,776,998 | 410,864,016 | 32,752,744 | 243,708,401 | 1,330,931,617 |
| 2014 | 12,148,737,452 | 412,784,559 | 31,933,209 | 253,752,914 | 1,400,266,009 |
| 2015 | 12,707,922,936 | 418,777,464 | 33,753,256 | 273,526,828 | 1,441,606,174 |
| 2016 | 13,370,875,216 | 416,757,236 | 36,633,306 | 296,184,300 | 1,495,786,659 |
| 2017 | 13,994,666,666 | 436,869,762 | 40,259,567 | 310,713,100 | 1,529,955,330 |
| 2018 | 14,685,919,772 | 447,170,936 | 46,090,839 | 324,431,754 | 1,561,948,261 |
| 2019 | 12,217,413,194 | 447,634,113 | 48,533,384 | 256,542,100 | 1,284,664,800 |
| 2020 | 16,146,206,741 | 499,450,522 | 54,827,567 | 308,225,600 | 1,755,199,374 |

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

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

Source: Clackamas County Department of Assessment and Taxation

| Total Taxable Assessed Value | Total Direct Tax Rate | True Cash Value | Assessed Value as a Percentage of True Cash Value |
|------------------------------|-----------------------|-----------------|---|
| 10,565,704,715 | 0.50 | 13,285,445,756 | 79.53 % |
| 10,779,391,330 | 0.51 | 12,527,289,343 | 86.05 |
| 10,989,170,542 | 0.51 | 13,497,590,811 | 81.42 |
| 11,446,942,125 | 0.53 | 12,850,318,591 | 89.08 |
| 11,992,374,310 | 0.50 | 14,260,099,520 | 84.10 |
| 12,624,663,399 | 0.54 | 15,927,771,309 | 79.26 |
| 13,252,553,765 | 0.53 | 18,260,306,778 | 72.58 |
| 13,941,665,040 | 0.53 | 20,286,725,848 | 68.72 |
| 11,685,457,991 | 0.53 | 17,843,416,493 | 65.50 |
| 15,253,511,056 | 0.53 | 23,630,114,057 | 64.55 |

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

| Year | North Clackamas Parks & Recreation District | | Overlapping Rates ⁽³⁾ | | | | | | | Total Direct & Overlapping | Total Direct & Overlapping Range |
|------|---|----------------------------------|----------------------------------|------------------------|--------|---------|-------------|------|---------------|----------------------------|----------------------------------|
| | General Operations | Total Direct ⁽²⁾ Rate | Clackamas County | County Component Units | Cities | Schools | College/ESD | Fire | Other Special | | |
| 2011 | 0.50 | 0.50 | 2.91 | 1.43 | 1.12 | 6.74 | 1.05 | 2.36 | 0.64 | 16.75 | 15.47-19.12 |
| 2012 | 0.51 | 0.51 | 2.91 | 1.42 | 1.20 | 7.29 | 1.04 | 2.36 | 0.51 | 17.24 | 15.60-19.58 |
| 2013 | 0.51 | 0.51 | 2.92 | 1.44 | 1.15 | 6.88 | 1.06 | 2.36 | 0.54 | 16.86 | 15.54-19.04 |
| 2014 | 0.53 | 0.53 | 2.92 | 0.82 | 1.38 | 7.10 | 1.05 | 2.44 | 0.62 | 16.87 | 15.45-18.95 |
| 2015 | 0.50 | 0.50 | 2.77 | 0.84 | 1.34 | 6.59 | 1.01 | 2.27 | 0.58 | 15.91 | 15.17-20.43 |
| 2016 | 0.54 | 0.54 | 2.94 | 0.78 | 1.30 | 7.23 | 1.10 | 2.49 | 0.54 | 16.92 | 15.46-20.84 |
| 2017 | 0.53 | 0.53 | 2.97 | 0.84 | 1.13 | 7.16 | 1.09 | 2.47 | 0.55 | 16.74 | 15.42-20.83 |
| 2018 | 0.53 | 0.53 | 2.94 | 0.82 | 1.28 | 7.13 | 1.09 | 2.48 | 0.64 | 16.91 | 15.32-20.95 |
| 2019 | 0.53 | 0.53 | 3.09 | 0.97 | 0.84 | 7.32 | 1.10 | 2.46 | 0.72 | 17.04 | 15.26-21.01 |
| 2020 | 0.53 | 0.53 | 2.94 | 0.83 | 1.26 | 4.53 | 1.08 | 2.48 | 0.88 | 14.53 | 15.64-22.84 |

Notes:

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

Source: Clackamas County Department of Assessment and Taxation

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
PRINCIPAL PROPERTY TAX PAYERS
JUNE 30, 2020 AND NINE YEARS AGO

| Taxpayer | 2020 | | | 2011 | | |
|--|-------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value |
| Portland General Electric Company | \$ 887,218,000 | 1 | 5.82 % | \$ 67,644,000 | 5 | 0.64 % |
| General Growth Properties Inc. | 275,386,368 | 2 | 1.81 | 210,052,231 | 1 | 1.99 |
| Fred Meyer Store Inc #63 | 256,928,807 | 3 | 1.68 | 131,179,516 | 2 | 1.24 |
| Shorenstein Properties LLC | 220,451,021 | 4 | 1.45 | | | |
| Northwest Natural Gas Company | 209,321,000 | 5 | 1.37 | 50,132,600 | 7 | 0.47 |
| PCC Structurals Inc. | 176,412,487 | 6 | 1.16 | 74,408,034 | 4 | 0.70 |
| Comcast Corporation | 101,245,000 | 7 | 0.66 | 76,559,800 | 3 | 0.72 |
| Meadows Road | 92,677,063 | 8 | 0.61 | | | |
| ROIC Oregon LLC | 86,163,524 | 9 | 0.56 | | | |
| CenturyLink | 84,034,000 | 10 | 0.55 | | | |
| Kaiser Foundation Hospital | | | | 47,689,985 | 8 | 0.45 |
| Blount Inc. | | | | 64,047,836 | 6 | 0.61 |
| CH Realty III/Clackamas LLC | | | | 42,204,045 | 10 | 0.40 |
| Unified Western Grocers/United Grocers | | | | 46,936,699 | 9 | 0.44 |
| Total | \$ 2,389,837,270 | | 15.67 % | \$ 743,210,746 | | 7.66 % |

Source: Clackamas County Department of Assessment and Taxation

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

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-------------------------------------|--|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2011 | 5,330,887 | 4,991,388 | 93.6 | 211,935 | 5,203,323 | 97.6 % |
| 2012 | 5,460,383 | 5,132,683 | 94.0 | 202,067 | 5,334,750 | 97.7 |
| 2013 | 5,552,565 | 5,236,985 | 94.3 | 192,669 | 5,429,654 | 97.8 |
| 2014 | 6,097,777 | 5,782,712 | 94.8 | 163,783 | 5,946,495 | 97.5 |
| 2015 | 6,387,502 | 6,068,477 | 95.0 | 154,509 | 6,222,986 | 97.4 |
| 2016 | 6,707,093 | 6,381,404 | 95.1 | 138,718 | 6,520,122 | 97.2 |
| 2017 | 7,048,958 | 6,721,214 | 95.4 | 113,880 | 6,835,094 | 97.0 |
| 2018 | 7,398,202 | 7,046,634 | 95.2 | 108,161 | 7,154,795 | 96.7 |
| 2019 | 6,151,624 | 5,884,693 | 95.6 | 51,803 | 5,936,496 | 96.5 |
| 2020 | 8,057,767 | 7,702,870 | 95.6 | - | 7,702,870 | 95.6 |

Source: Clackamas County Department of Assessment and Taxation

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

| Fiscal Year | Governmental Activities | | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|-------------------------|---|---|---|--------------------------|-------------------------------|------------|
| | Assessment Debt | Limited Tax Revenue Series 2000 Refunding Bonds | Full Faith & Credit Obligations Series 2008 Bonds | Full Faith & Credit Obligations Series 2010 Bonds | | | |
| 2011 | - | - | 7,200,012 | 5,411,095 | 12,611,107 | 0.25 | 110.75 |
| 2012 | - | - | 6,889,112 | 5,091,942 | 11,981,054 | 0.22 | 104.80 |
| 2013 | - | - | 6,568,212 | 4,767,842 | 11,336,054 | 0.20 | 99.22 |
| 2014 | - | - | 6,237,312 | 4,498,074 | 10,735,386 | 0.19 | 92.15 |
| 2015 | - | - | 5,891,413 | 4,147,400 | 10,038,813 | 0.17 | 85.75 |
| 2016 | - | - | 5,535,513 | 3,786,673 | 9,322,186 | 0.15 | 76.01 |
| 2017 | - | - | 5,169,613 | 3,421,000 | 8,590,613 | N/A | 70.05 |
| 2018 | - | - | - | 3,040,327 | 3,040,327 | N/A | 24.92 |
| 2019 | - | - | - | 2,649,654 | 2,649,654 | N/A | 21.72 |
| 2020 | - | - | - | - | - | N/A | 0.00 |

Source: Clackamas County Finance Department

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

| Fiscal Year | Limited Tax Revenue Refunding Bonds | Full Faith & Credit Obligation Bonds | Total General Bonded Debt | Less Amounts Restricted to Repaying Principal | Net General Bonded Debt | Percentage of Actual Taxable Value of Property | Per Capita |
|----------------|---|--|---------------------------------|---|----------------------------------|---|---------------|
| 2011 | - | 12,550,000 | 12,550,000 | (83,344) | 12,466,656 | 0.12 | 109.48 |
| 2012 | - | 11,920,000 | 11,920,000 | (196,938) | 11,723,062 | 0.11 | 102.55 |
| 2013 | - | 11,275,000 | 11,275,000 | (108,550) | 11,166,450 | 0.10 | 97.74 |
| 2014 | - | 10,735,386 | 10,735,386 | (108,503) | 10,626,883 | 0.09 | 91.21 |
| 2015 | - | 10,038,813 | 10,038,813 | (108,956) | 9,929,857 | 0.08 | 84.82 |
| 2016 | - | 9,322,186 | 9,322,186 | (109,806) | 9,212,380 | 0.07 | 75.11 |
| 2017 | - | 8,590,613 | 8,590,613 | (111,355) | 8,479,258 | 0.06 | 69.14 |
| 2018 | - | 3,040,327 | 3,040,327 | - | 3,040,327 | 0.02 | 24.92 |
| 2019 | - | 2,649,654 | 2,649,654 | - | 2,649,654 | 0.02 | 21.72 |
| 2020 | - | - | - | - | - | 0.00 | 0.00 |

Source: Clackamas County Finance Department

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

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

Note:

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

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

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

| Year | True Cash Value | Debt Percentage | Debt Limit | Total net debt applicable to limit | Legal debt margin | Total net debt applicable to the limit as a percentage of debt limit | % |
|------|-------------------|-----------------|---------------|------------------------------------|-------------------|--|---|
| 2011 | \$ 13,285,445,756 | 13 | 1,727,107,948 | 12,550,000 | 1,714,557,948 | 0.73 | % |
| 2012 | 12,527,289,343 | 13 | 1,628,547,615 | 11,920,000 | 1,616,627,615 | 0.73 | |
| 2013 | 13,497,590,811 | 13 | 1,754,686,805 | 11,336,054 | 1,743,350,751 | 0.65 | |
| 2014 | 12,850,318,591 | 13 | 1,670,541,417 | 10,735,386 | 1,659,806,031 | 0.64 | |
| 2015 | 14,260,099,520 | 13 | 1,853,812,938 | 10,038,813 | 1,843,774,125 | 0.54 | |
| 2016 | 15,927,771,309 | 13 | 2,070,610,270 | 9,322,186 | 2,061,288,084 | 0.45 | |
| 2017 | 18,260,306,778 | 13 | 2,373,839,881 | 8,590,613 | 2,365,249,268 | 0.36 | |
| 2018 | 20,286,725,848 | 13 | 2,637,274,360 | 3,040,327 | 2,634,234,033 | 0.12 | |
| 2019 | 17,843,416,493 | 13 | 2,319,644,144 | 2,649,654 | 2,316,994,490 | 0.11 | |
| 2020 | 23,630,114,057 | 13 | 3,071,914,827 | - | 3,071,914,827 | 0.00 | |

Note:

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

Source: Clackamas County Finance Department

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

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

| Year | Population | Personal Income (thousands of dollars) | Per Capita Personal Income ⁽¹⁾ | Clackamas County Unemployment Rate ⁽⁴⁾ |
|---------------------|------------|---|---|--|
| 2011 ⁽³⁾ | 113,869 | 5,064,893 | 44,480 | 9.5 % |
| 2012 | 114,321 | 5,385,662 | 47,110 | 8.4 |
| 2013 | 114,251 | 5,375,852 | 47,053 | 7.5 |
| 2014 | 116,505 | 5,675,308 | 48,713 | 6.4 |
| 2015 | 117,064 | 5,802,277 | 49,565 | 5.6 |
| 2016 | 122,652 | 6,301,737 | 51,379 | 4.7 |
| 2017 | 122,642 | N/A | N/A | 3.9 |
| 2018 | 122,000 | N/A | N/A | 3.7 |
| 2019 | 122,000 | N/A | N/A | 3.9 |
| 2020 | 105,000 | N/A | N/A | 5.8 |

Notes:

(1) Figures are for calendar year.

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

(3) From Claritas Software from Nielsen Corp.

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

N/A Not available

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
PRINCIPAL EMPLOYERS (1)
JUNE 30, 2020 AND NINE YEARS AGO

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

Sources;

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

The Business Journal Book of Lists ranks Portland Metropolitan Area employers.

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

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

| <u>Year Ended June 30,</u> | <u>Health and Welfare</u> | <u>Culture and Recreation</u> | <u>Total</u> |
|----------------------------|-------------------------------|-----------------------------------|--------------|
| 2011 | 9.00 | 25.67 | 34.67 |
| 2012 | 10.31 | 25.94 | 36.25 |
| 2013 | 10.44 | 26.84 | 37.28 |
| 2014 | 10.65 | 26.85 | 37.50 |
| 2015 | 8.72 | 25.90 | 34.62 |
| 2016 | 8.41 | 24.02 | 32.43 |
| 2017 | 8.36 | 25.46 | 33.82 |
| 2018 | 7.34 | 28.36 | 35.70 |
| 2019 | 7.46 | 26.24 | 33.70 |
| 2020 | 7.46 | 27.93 | 35.39 |

Note:

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

Source: Clackamas County Finance Department.

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

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

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

(2) New swim lesson program with lower ratios.

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

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

| Function | Year Ending June 30, | | | | | | | | | |
|---|----------------------|------|------|------|-------|-------|-------|------|-------|------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Health and welfare: | | | | | | | | | | |
| Milwaukie Center (serving senior and disabled citizens) | | | | | | | | | | |
| Activity Rooms | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Congregate dining room & café | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Transportation vehicles (14, 16 & 20 passenger) | 3 | 3 | 4 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Culture and recreation: | | | | | | | | | | |
| Acreage-maintained | 505 | 517 | 592 | 596 | 501 | 501 | 520 | 527 | 640 | 358 |
| Parks maintained | 51 | 52 | 53 | 55 | 63 | 63 | 64 | 64 | 64 | 60 |
| Play structures | 30 | 30 | 30 | 32 | 33 | 33 | 33 | 36 | 37 | 32 |
| Maintenance vehicles/equipment | 25 | 30 | 30 | 31 | 32 | 33 | 35 | 35 | 35 | 35 |
| Passenger van (Recmobile) | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Aquatic Park (five pools, game room, activity rooms) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sports fields: | | | | | | | | | | |
| Baseball | 11 | 11 | 11 | 11 | 11 | 11 | 13 | 14 | 14 | 14 |
| Soccer | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 8 | 8 | 8 |
| Tennis courts | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Basketball | 16 | 16 | 16 | 18 | 17 | 17 | 17 | 19 | 19 | 16 |
| Volleyball courts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Sports programs | - | - | - | - | 127 | 75 | 70 | 21 | 24 | 31 |
| Sports program participants | - | - | - | - | 7,040 | 6,769 | 6,890 | 5885 | 5,952 | 5126 |
| Sports courses offered during the year | - | - | - | - | 248 | 118 | 87 | 94 | 98 | 70 |

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, Nutrition and Transportation Fund, System Development Charges Zone 1 Fund, System Development Charges Zone 2 Fund, and System Development Charges Zone 3 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Moss Adams, LLP

Eugene, Oregon
December 16, 2020

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

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Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards*

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

We have audited the basic financial statements of the North Clackamas Parks and Recreation District (the District) as of and for the year ended June 30, 2020 and have issued our report thereon dated December 16, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal year 2020 and 2021.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and, regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Purpose of this Report

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



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