



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2023**



**NORTH CLACKAMAS
PARKS & RECREATION DISTRICT**

NCPRD IS A SERVICE DISTRICT OF CLACKAMAS COUNTY, OREGON

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

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

Prepared by:

North Clackamas Parks and Recreation District and Clackamas County Department of Finance
Cindy Becker, Acting Director, North Clackamas Parks and Recreation District
Dominic Cortinas, Deputy Director, North Clackamas Parks and Recreation District
Elizabeth Comfort, Director of Finance, Clackamas County

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

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

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INTRODUCTORY SECTION

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NORTH CLACKAMAS PARKS & RECREATION DISTRICT

Administration

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

December 22, 2023

To the Honorable Chair Tootie Smith, Commissioner Paul Savas, Commissioner Martha Schrader, Commissioner Mark Shull, Commissioner Ben West, and Residents 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, 2023.

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, 2023. The Independent Auditor's Report is located at the front of the financial section of this report.

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

Profile of the Government

NCPRD (the District), created November 21, 1990, is located in the urbanized northwest portion of Clackamas County (the County), one of Oregon's fastest growing regions. As of July 1, 2020, the District includes a large unincorporated area of urban Clackamas County and the City of Milwaukie. It does not include the bordering cities of Happy Valley, Gladstone, or Johnson City. Of the District's approximately 105,000 residents, roughly 4/5 live in the unincorporated area and 1/5 live in the City of Milwaukie. The District is bounded on the west by the Willamette River, by the Multnomah/Clackamas County boundary to the north, by Gladstone and the Clackamas River to the south, and roughly by the City of Happy Valley to the east. The District includes key areas of economic activity within the County, including one of the State's largest commercial concentrations at Clackamas Town Center and the Clackamas Promenade shopping center, both thriving retail centers. Another strong area of economic activity is the industrial/commercial corridor along Highway 212/224.

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

The District was formed as a County Service District under Oregon Revised Statute Chapter 451 and is a component unit of Clackamas County. The five-member Board of County Commissioners serves as the Board of Directors (Board) for the District and the Commissioners

are elected on a non-partisan basis. Board members serve four-year terms and the Chair is specifically elected by voters. The Chair and other Board members are elected not by geographic region but at-large.

The Budget Committee is composed of the Commissioners plus five citizen members who reside within the District. The Budget Committee reviews and approves the budget annually. An eleven-member citizen District Advisory Committee (DAC) exists to make recommendations to the Board of Directors and Budget Committee.

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

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

Local Economic Condition and Outlook

According to the State of Oregon Office of Economic Analysis (OEA) as of September 2023, the state of the economy continues to be in an inflationary boom. While growth is outpacing expectations, inflation has slowed considerably in the past year and economic forecasters are anticipating that the economic soft landing is the most likely scenario. On a year-over-year basis, the Consumer Price Index (CPI) last summer was running at 9 percent. This summer, CPI is running between 3 and 4 percent. Much of this slowdown in inflation is tied to supply side healing in the global economy, meaning supply chain struggles have eased, and food and energy prices have stabilized. There are emerging signs that the economy is reaccelerating, however, and this leaves the Federal Reserve in a tough position of trying to determine interest rates to cool the economy and bring inflation down. The full impact of past interest rate increases to slow growth is still unknown.¹

Oregon's economic outlook will slow noticeably in the upcoming 2023-25 biennium. The recovery from the pandemic has been faster, and more inclusive than any in recent memory. The labor market is tight and as inflation slows, income gains are once again outpacing price increases, leading to rising living standards. With the economy at full employment, future growth will come from labor force gains driven by positive net migration in the years ahead, along with productivity gains driven by capital investment. The combination of the post-pandemic rise in start-up activity, large increase in federal investment, including in semiconductors, and the potential of generative artificial intelligence (AI) should all help boost productivity in the years ahead. Oregon is well-positioned to benefit.²

As of July 2023, Oregon's unemployment rate has dropped to 3.4 percent. This was the sixth consecutive monthly drop down from a recent high of 4.8 percent in January. Oregon's rate has closely aligned with the national unemployment rate for the past two years. In July, Oregon's rate reached a record low of 3.4 percent which was last recorded in November and December 2019. Oregon's unemployment rate is on par with the national rate of 3.5 percent. In July, Oregon's seasonally adjusted nonfarm payroll employment rose by 6,800 jobs, following a gain

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

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

of 5,700 jobs in June. July's gain was nearly double the average increase of 3,700 jobs per month during the prior 12 months. Over the past 12 months, three major industries – health care and social assistance, leisure and hospitality, and government have added nearly all of Oregon's net new jobs.³

Oregon is projected to add 265,000 new jobs by 2031. Oregon's job growth will total 13 percent between 2021 and 2031. Private payrolls are expected to grow by 15 percent (240,200 jobs), while government employment will increase by 7 percent (20,300 jobs), and self-employment is projected to grow by 3 percent (4,400).⁴

Oregon's industrial structure is similar to the U.S. overall. Oregon's manufacturing industry is relatively larger and weighted more toward semiconductors and wood products, compared to the nation. However, timber and high-tech industries, which have historically been Oregon's strength, are now expected to grow the slowest moving forward. Industries like timber and high-tech, have been Oregon's strength in both the recent past and historically are now expected to grow the slowest moving forward. Productivity and output from the State's technology producers is expected to continue growing quickly, however, employment is not likely to follow suit. Similarly, the timber industry remains under pressure from both market based conditions and federal regulations. Barring major changes to either, the slow growth to downward trajectory of the industry in Oregon is likely to continue. Other strong Oregon industries, such as management of companies, food and beverage manufacturing, software publishing, and healthcare related firms are expected to do well in the coming decade. The state's real challenges and opportunities will come in industries in which Oregon does not have a relatively large concentration. These industries, like consulting, computer system design, financial investment, and scientific research and development (R&D), are expected to grow quickly in the decade ahead.⁵

New housing supply has not kept pace with demand in either ownership or rental markets. Oregon has underbuilt housing by 140,000 units in recent decades. The housing shortage has resulted in rapidly increasing rental rates that have outpaced income growth, a clear risk to Oregon's economic outlook. Worsening housing affordability hurts Oregonians as they devote a larger share of their household budget to necessities. Furthermore, while not the baseline outlook, lack of affordability may dampen future growth as fewer people can afford to live here, lowering net in-migration, and the size of the labor force in the years ahead.⁵

Oregon personal income when compared to other U.S. states has been relatively low, concerning to some policymakers and analysts. Encouragingly, the strong economic growth within the last decade provided meaningful increases in Oregon's per capita income and average wage. Today Oregon's per capita income relative to the U.S. is at its highest point since the dotcom bust two decades ago, and the state's average wage is at its highest relative point since the timber industry restructured and the mills started closing in the early 1980s. Median household income in recent years has reached historic highs, even after adjusting for inflation. It now stands 2.6 percent higher than the U.S. overall as of 2021. This marks the first time in more than 50 years that Oregonian incomes for the typical household or family are higher than the nation.⁵

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

³ <https://www.oregon.gov/employ/Agency/Archived%20News%20Releases/2023-Aug16-employment%20in-Oregon-press-release.pdf>

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

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

rate decreased to 3.5 percent in August 2023 from a high of 12.1 percent in April 2020.⁶ Real market value for 2021-2022 in Clackamas County grew 9.6%, continuing a growth trend that started in 2013. The growth rate for 2021 was nearly double the 2020 growth rate of 5% and was the highest year-over-year growth rate since 2017.⁷ Additionally, as of June 2023, the population of Clackamas County increased nearly 12.1 percent from 2010 to 422,537.⁸ Between 2020 and 2022, housing units in Clackamas County increased 1.37 percent to 172,431, with an average value of \$661,674.⁹

NCPRD is directly impacted by the construction industry and housing market with the collection of Parks System Development Charges (PSDCs). While permit activity remains strong, it is not as robust as in the past several years. During fiscal year 2022-2023, Clackamas County issued a total of 75 residential and commercial permits for new construction in the unincorporated portion of the District. This remained relatively similar to the 76 permits issued in fiscal year 2021-2022. During the fiscal year 2022-2023, the City of Milwaukie issued a total of 20 commercial and residential permits for new construction, a decrease from the 31 collected in fiscal year 2021-2022. Oregon and Clackamas County are expected to see continued slow growth in the construction industry in the coming year, coupled with supply chain and employment issues, which will continue to drive costs higher.

As economic and revenue outlooks are never certain, it is important to identify and monitor potential economic threats and risks. Oregon typically outperforms most states over the entire economic cycle. This time is no different, however, the expectation is that the relative growth advantage may be a bit smaller than it has been historically. Economists anticipate a “soft landing” economic outlook. This doesn’t mean that the outlook is rosy, but it also doesn’t mean that it is disastrous. As incomes continue to grow and consumer spending increases, it is difficult for the economy to fall into a recession. Consumer spending is predicted to shift into services and away from goods. This overall rotation in spending will help slow inflation as well.¹⁰ NCPRD will continue to be cognizant of the changing economy and how deviations could affect the District.

Long-term Financial Planning

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, 2022 was \$10.3 million and increased to \$14.9 million at the end of fiscal year 2022-2023. This increase can be attributed to American Rescue Plan Act (ARPA) funding received as a result of the loss of revenue during the COVID-19 pandemic.

The District finance team continues to enhance the financial reporting of the District with the addition of a five-year forecast and issuing ongoing quarterly financial updates. This additional

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

⁷ <https://dochub.clackamas.us/documents/drupal/c482cc83-14a8-43f0-91c7-a5a262f13ef5>

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

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

¹⁰ <https://www.oregon.gov/das/OEA/Documents/economic%20forecast.pdf>

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

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

Capital Improvement Plan

Over the past several years, the District has had an ambitious long-term capital improvement plan. Although the District's capital improvement plan has been somewhat curtailed by limited capital funding, the District continues to move forward with the planning of several future Districtwide projects. (Note: The Milwaukie Bay Park and the SDC Methodology projects are paused due to legal action filed by the City of Milwaukie.)

Concord Master Plan

NCPRD acquired the Concord School in 2017-2018 and considers the property a high priority because of its potential uses as a park, community center, and library. There is a high level of community interest in preserving the school building. The District, in partnership with the Oak Lodge Library (a division within the Department of Transportation and Development (DTD)), completed a master plan, design, and engineering for the 6-acre Concord Property. Construction estimates came in significantly higher than available funds, leading the District to move forward with design and construction documents in 2022-2023 focusing on infrastructure upgrades for the building instead of an extensive whole-building renovation. Anticipated construction for building improvements is expected to begin in 2023-2024. An IGA is in process between NCPRD and Clackamas County to better coordinate on the design development and construction of the park, library, and shared site improvements scheduled to begin in 2023-2024.

Long-range System Plan

NCPRD staff issued a Request for Proposals (RFP) in late 2022 to officially launch the System Plan development. The System Plan will guide the District in determining goals and objectives of District residents and provide a roadmap for the future. The process will include an equitable, inclusive, and diverse assessment of the system and public needs, spatial analysis to assist in public engagement and decision making, and a robust review of what level of growth can be supported in different financing models. The key outputs include a statistically valid Needs Assessment to inform a System-wide Plan to identify long-term goals, priorities and actions; a Capital Improvement Plan (CIP) for medium-term capital project priorities; and a trail system plan to provide greater planning detail for system-wide trail goals, priorities and actions. NCPRD anticipates completing the plan in 2024.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the thirtieth consecutive year

the District received the award. To be awarded such a Certificate, the District has to publish an easily readable, efficiently organized ACFR that satisfies both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

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

Respectfully submitted,

Cindy Becker

Cindy Becker
Acting Director
North Clackamas Parks and Recreation District

Dominic Cortinas

Dominic Cortinas
Deputy Director
North Clackamas Parks and Recreation District



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**North Clackamas Parks and Recreation District
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

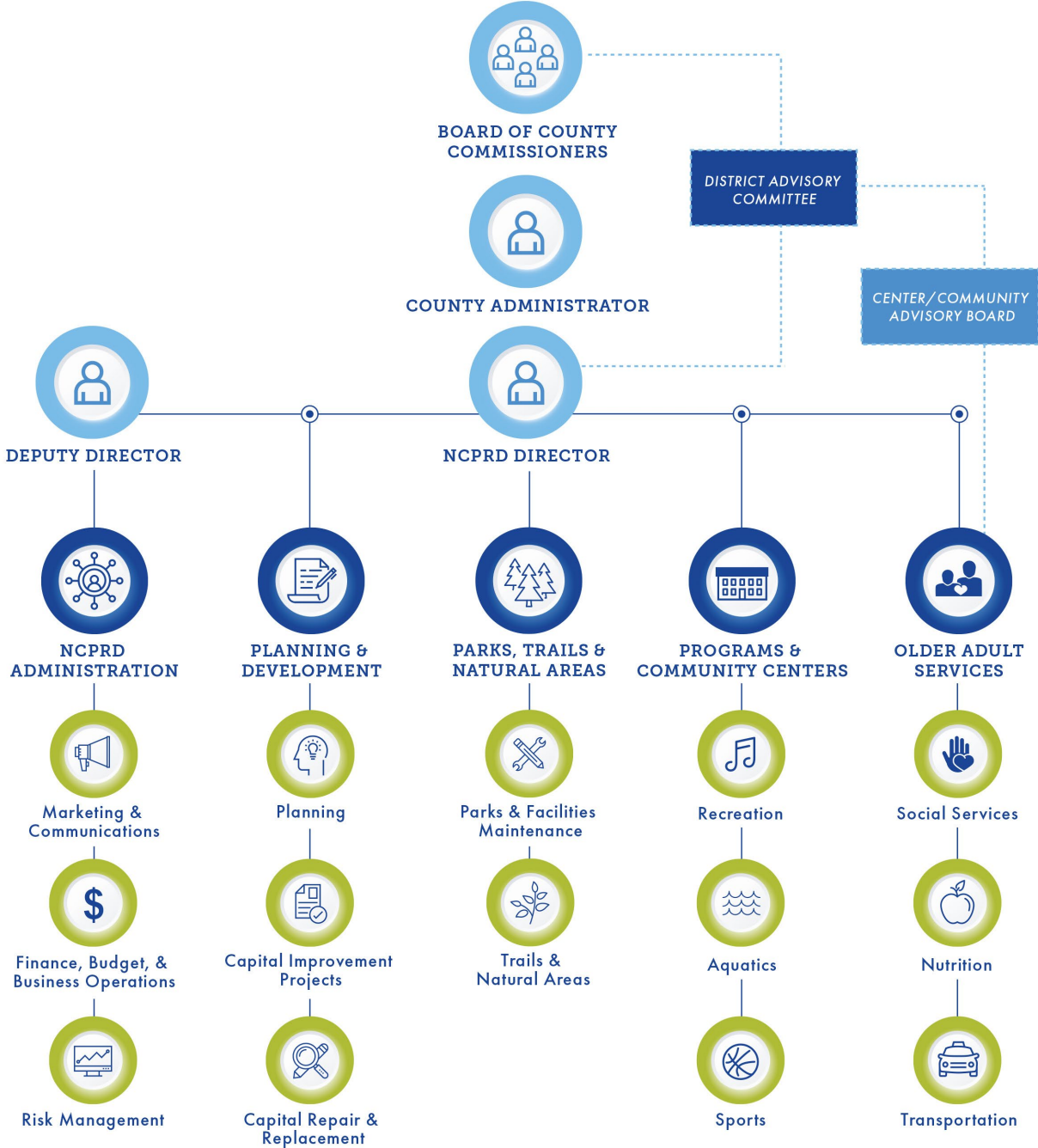
June 30, 2022

Christopher P. Morill

Executive Director/CEO

Organizational Chart

FY 2023-2024



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, 2023

<u>Name</u>	<u>Term Expires</u>
Tootie Smith, Chair Public Services Building	December 31, 2024
Paul Savas, Commissioner Public Services Building	December 31, 2026
Martha Schrader, Commissioner Public Services Building	December 31, 2024
Mark Shull, Commissioner Public Services Building	December 31, 2024
Ben West, Commissioner Public Services Building	December 31, 2026



ADMINISTRATIVE OFFICES

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

COUNTY ADMINISTRATOR

Gary Schmidt

LEGAL COUNSEL

Stephen Madkour
2051 Kaen Road
Oregon City, Oregon 97045

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITORS

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Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons of the General Fund and System Development Charges Zone 1 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and System Development Charges Zone 1 Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 22, 2023, on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Ashley Osten, Partner
For Moss Adams LLP
Portland, Oregon
December 22, 2023

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, 2023

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 ending June 30, 2023. 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 \$60,726,526. Of this amount, \$18,256,241 may be used to meet ongoing obligations.
- Net position increased by \$4,350,687. The increase is due to revenue received from the American Rescue Plan Act (ARPA) and the excess of program and general revenues over program expenses.
- Governmental funds reported a combined ending fund balance of \$33,209,783, an increase of \$4,531,141 from the prior year. Please see the Reconciliation of the Statement of Revenues, Expenditures, and the Changes in Fund Balances to the Statement of Activities on page 18, which reconciles the increase in fund balances to the increase in net position in detail.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Statement of Net Position

A condensed version of the Statement of Net Position for fiscal years ended June 30, 2023 and June 30, 2022 follows:

	2023	2022
Assets:		
Current assets	\$ 34,438,570	\$ 35,160,902
Capital assets	27,584,707	27,716,291
Total assets	62,023,277	62,877,193
Liabilities:		
Current liabilities	1,173,841	6,350,862
Liabilities due after one year	122,910	150,492
Total liabilities	1,296,751	6,501,354
Net position:		
Net investment in capital assets	27,338,767	27,468,838
Restricted for acquisition and development	15,131,518	15,063,360
Unrestricted	18,256,241	13,843,641
Total net position	\$ 60,726,526	\$ 56,375,839

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Total net position from governmental activities increased by \$4,350,687 or 7.7%. Net investment in capital assets decreased by \$130,071 or -0.5%. This decrease can be attributed to the net effect of capital asset additions, deletions and depreciation expenses during the fiscal year. There were no significant capital asset additions during the fiscal year, as the focus this year was on project planning and design. Net position restricted for acquisition and development increased by \$68,158 or 0.5%. These restricted assets are primarily system development charge revenues, which are generated by commercial and residential development activity.

Statement of Activities: The Statement of Activities for fiscal years ended June 30, 2023 and 2022 follows:

	2023	2022
Revenues		
Program revenues:		
Charges for services	\$ 2,706,261	\$ 2,516,940
Operating grants and contributions	3,494,597	494,709
Capital grants and contributions	758,353	1,452,371
Total program revenues	6,959,211	4,464,020
General revenues:		
Property taxes	6,900,234	6,613,648
Earnings on investments	1,056,202	141,868
Miscellaneous	1,328	2,250
Total general revenues	7,957,764	6,757,766
Total revenues	14,916,975	11,221,786
Expenses		
Culture, education and recreation	7,191,175	8,407,030
Health and welfare	3,374,777	1,360,201
Interest on long-term debt	336	446
Total expenses	10,566,288	9,767,677
Changes in net position	4,350,687	1,454,109
Net position, beginning of year	56,375,839	54,921,730
Net position, end of year	\$ 60,726,526	\$ 56,375,839

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

District program revenues increased by \$2,495,191 or 55.9%. The increase can be attributed to funding received from the American Rescue Plan Act.

District general revenues increased by \$1,199,998 or 17.8%. In addition, earnings on investments heavily increased by \$914,334 due to a higher cash balance throughout the fiscal year and better interest rates.

Overall expenses increased by \$798,611 or 8.2% over the prior year. All programs experienced increases in wages and benefits, rise in costs for utilities, and inflation was felt when purchasing goods and services. 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 2023 by \$3,607,077 as compared to \$5,303,657 in the prior year. Since revenues and expenses both increased, the net year-over-year difference is smaller. Property taxes collected within the District are used to fund this gap in income. Additionally, capital expenses and depreciation expenses decreased compared to the prior year.

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

FUND ANALYSIS

The primary fund of the District, the General Fund, ended the year with a fund balance of \$14,912,245, an increase of \$4,618,982 from the prior year. Key factors contributing to this increase are increased fund balance from fiscal year 2021-2022 and revenue received from the American Rescue Plan Act. All other District revenues increased from the previous year due to an increase in available programming and program participation.

The System Development Charges Fund (Zone 1) ended the year with a fund balance of \$6,503,137, an increase of \$501,220. This increase is due primarily to the growth in construction and system development charge fees collected in these areas.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

FUND ANALYSIS (Continued)

The Capital Projects Fund ended the year with an ending fund balance of \$6,580,856, a decrease of \$901,424 from the prior year. The decrease is primarily due to the costs incurred for the Concord Property project and capital expenditures related to repair and replacement of capital assets throughout the District.

General Fund Budgetary Highlights

When comparing the final budget to actual revenues, total actual General Fund revenues are higher than budgeted by \$4,137,151. This variance is largely due to the Federal, state, local, and all other gifts/donations revenue category, which was \$3,204,167 higher than anticipated. Most of the revenue recognized here was from the American Rescue Plan Act. Total expenditures, excluding contingency, in the General Fund Programs were under budget by \$1,632,898. This is primarily due to an intentional staff effort to examine and reduce expenditures where possible, as well as a few vacant positions during fiscal year 2022-2023. 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 continues to complete a comprehensive review of District operations, capital assets and staffing levels.

CAPITAL ASSETS

As of June 30 of 2023 and 2022, the District had invested \$27,584,707 and \$27,716,291 respectively in capital assets, net of depreciation as reflected in the following table:

	2023	2022
Land	\$ 12,708,765	\$ 12,708,765
Construction in progress	2,964,563	1,970,132
Buildings	1,307,697	1,483,101
Office equipment	266,108	335,873
Improvements	9,993,619	10,882,369
Vehicles	93,506	91,993
Intangible assets:		
Right to use asset	154,298	244,058
Software	96,151	-
	<u>\$ 27,584,707</u>	<u>\$ 27,716,291</u>

Overall, investment in capital assets decreased \$131,584 or -0.5% during the year. Decreases were realized in *Buildings*, *Improvements*, and *Office Equipment* due to the depreciation expense on current assets. An increase was realized in *Construction in Progress* due to continued planning and design efforts for the Concord Property and Milwaukie Bay Park and in *Vehicles* due to the purchase of a new mower. Please refer to Notes to Basic Financial Statements - Note 1 for capital asset policy, and Note 5 for a detailed summary of activity.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

ECONOMIC FACTORS

Property taxes represent a significant revenue source for the District's governmental funds, 46.4% and 58.9% of total revenues in 2023 and 2022, respectively. This decrease in the percentage of property taxes in relation to total revenues is largely attributable to an increase of operating grants and contributions from the American Rescue Plan Act. 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 2021-2022, SDC revenue was \$1,452,371 and decreased to \$758,353 in fiscal year 2022-2023. This decrease is due to a decline in residential and commercial development Districtwide as costs for building supplies have increased. Since SDCs are one of the only revenue sources available to construct new capital assets, staff must monitor and forecast this revenue on a regular basis to ensure projections accurately reflect the economic climate of the County and surrounding Portland Metro area.

FINANCIAL CONTACT

The District's financial statements are designed to present users (residents, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the District's Deputy Director via the District's main telephone number, (503) 742-4348. You can also reach us through our web page at www.ncprd.com or email us at finance@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, 2023

	Governmental Activities
ASSETS:	
Cash and investments	\$ 22,484,708
Property taxes receivable	191,121
Accounts receivable	41,089
Prepaid expense	9,477
Restricted cash and investments	11,712,175
Capital assets	
Capital assets not being depreciated	15,673,328
Capital assets being depreciated, net	11,911,379
TOTAL ASSETS	62,023,277
LIABILITIES:	
Accounts payable	238,409
Due to Clackamas County	445,608
Unearned revenue	366,794
Long-term liabilities:	
Portion due or payable within one year:	
Lease payable	99,828
Software subscription payable	23,202
Portion due or payable after one year:	
Lease payable	50,664
Software subscription payable	72,246
TOTAL LIABILITIES	1,296,751
NET POSITION:	
Net investment in capital assets	27,338,767
Restricted for acquisition and development	15,131,518
Unrestricted	18,256,241
TOTAL NET POSITION	\$ 60,726,526

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, 2023

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	\$ 9,086,719	\$ 2,327,384	\$ 2,446,218	\$ 758,353	\$ (3,554,764)
Health and welfare	1,479,233	378,877	1,048,379	-	(51,977)
Interest	336	-	-	-	(336)
Total	10,566,288	2,706,261	3,494,597	758,353	(3,607,077)
GENERAL REVENUES					
					6,900,234
					1,056,202
					1,328
CHANGE IN NET POSITION					4,350,687
NET POSITION, July 1, 2022					56,375,839
NET POSITION, June 30, 2023					\$ 60,726,526

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, 2023

	General Fund	Special Revenue Fund	System Development Charges Zone 1 Fund	Capital Projects Fund	Other Governmental Funds	Total
ASSETS						
Cash and investments	\$ 15,693,394	\$ -	\$ -	\$ 6,791,314	\$ -	\$ 22,484,708
Taxes receivable	191,121	-	-	-	-	191,121
Accounts receivable	31,518	9,571	-	-	-	41,089
Prepaid items	9,477	-	-	-	-	9,477
Restricted cash and investments	-	6,496,203	-	-	5,215,972	11,712,175
TOTAL ASSETS	\$ 15,925,510	\$ 6,505,774	\$ 6,791,314	\$ 5,215,972	\$ 34,438,570	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	\$ 95,498	\$ -	\$ 142,911	\$ -	\$ -	\$ 238,409
Due to Clackamas County	417,997	2,637	22,547	2,427	-	445,608
Unearned revenue	321,794	-	45,000	-	-	366,794
TOTAL LIABILITIES	835,289	2,637	210,458	2,427	-	1,050,811
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	177,976	-	-	-	-	177,976
FUND BALANCES						
Nonspendable	9,477	-	-	-	-	9,477
Restricted	-	6,503,137	3,414,836	5,213,545	-	15,131,518
Assigned	-	-	3,166,020	-	-	3,166,020
Unassigned	14,902,768	-	-	-	-	14,902,768
TOTAL FUND BALANCES	14,912,245	6,503,137	6,580,856	5,213,545	-	33,209,783
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 15,925,510	\$ 6,505,774	\$ 6,791,314	\$ 5,215,972	\$ -	\$ 34,438,570

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, 2023

TOTAL FUND BALANCE		\$ 33,209,783
Total net position shown in the Statement of Net Position and the Statement of Activities are different because:		
Capital assets are not financial resources for fund reporting purposes and therefore are not reported in the governmental funds.		
		27,584,707
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.		
		177,976
Long-term liabilities, such as lease payables and subscription based software payable, are not reported as governmental fund liabilities. These long-term liabilities consist of:		
Lease payable	(150,492)	
Software subscription payable	(95,448)	
Total effect of long-term liabilities	(245,940)	(245,940)
TOTAL NET POSITION		\$ 60,726,526

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, 2023

	Funds				Total
	General Fund	System Development Charges Zone 1 Fund	Capital Projects Fund	Other Governmental Funds	
REVENUES:					
Property taxes	\$ 6,950,617	\$ -	\$ -	\$ -	\$ 6,950,617
Licenses and permits	-	551,182	-	207,171	758,353
Interest	524,262	177,480	209,439	145,021	1,056,202
Intergovernmental	3,243,653	3,988	-	4,221	3,251,862
Charges for services	2,706,261	-	-	-	2,706,261
Interfund services provided	44,071	-	-	-	44,071
Donations/Grants	198,664	-	-	-	198,664
Miscellaneous	1,328	-	-	-	1,328
TOTAL REVENUES	<u>13,668,856</u>	<u>732,650</u>	<u>209,439</u>	<u>356,413</u>	<u>14,967,358</u>
EXPENDITURES:					
Current:					
Culture, education and recreation	5,774,481	47,700	21,741	17,229	5,861,151
Health and welfare	3,129,363	-	-	-	3,129,363
Capital outlay	118,965	-	1,323,406	-	1,442,371
Debt service:					
Principal	120,478	-	-	-	120,478
Interest	1,819	-	-	-	1,819
TOTAL EXPENDITURES	<u>9,145,106</u>	<u>47,700</u>	<u>1,345,147</u>	<u>17,229</u>	<u>10,555,182</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,523,750</u>	<u>684,950</u>	<u>(1,135,708)</u>	<u>339,184</u>	<u>4,412,176</u>
OTHER FINANCING SOURCES (USES):					
Lease financing	118,965	-	-	-	118,965
Transfers in	-	-	234,284	-	234,284
Transfers out	(23,733)	(183,730)	-	(26,821)	(234,284)
TOTAL OTHER FINANCING SOURCES (USES)	<u>95,232</u>	<u>(183,730)</u>	<u>234,284</u>	<u>(26,821)</u>	<u>118,965</u>
NET CHANGE IN FUND BALANCE	4,618,982	501,220	(901,424)	312,363	4,531,141
FUND BALANCE, JUNE 30, 2022	<u>10,293,263</u>	<u>6,001,917</u>	<u>7,482,280</u>	<u>4,901,182</u>	<u>28,678,642</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ 14,912,245</u>	<u>\$ 6,503,137</u>	<u>\$ 6,580,856</u>	<u>\$ 5,213,545</u>	<u>\$ 33,209,783</u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

NET CHANGE IN FUND BALANCES		\$ 4,531,141
<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	1,103,641	
Depreciation	(1,348,015)	
Disposal of capital asset	(6,174)	(250,548)
<p>Government funds report leases and subscriptions for software as expenditures. However in the Statement of Activities the cost of those assets are capitalized and amortized over the life of the asset. Similarly, the cost of the assets are accrued as payables and expensed over the life of the asset. These transactions consist of:</p>		
Lease payable reductions	96,961	
Reduction in subscription based software payable	23,516	120,477
<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>		
		(50,383)
CHANGE IN NET POSITION		\$ 4,350,687

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, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 7,016,900	\$ 7,016,900	\$ 6,949,573	\$ (67,327)
Federal, state, local, all other gifts/donations	238,150	238,150	3,442,317	3,204,167
Charges, fees, licenses	1,834,990	1,834,990	2,706,261	871,271
Miscellaneous	396,550	396,550	525,590	129,040
TOTAL REVENUES	<u>9,486,590</u>	<u>9,486,590</u>	<u>13,623,741</u>	<u>4,137,151</u>
EXPENDITURES:				
Current:				
Administration	198,180	198,180	174,879	23,301
Marketing & Communications	554,705	554,705	513,162	41,543
Recreation	920,063	920,063	762,224	157,839
Aquatic Park	1,790,462	1,790,462	1,629,916	160,546
Sports	1,390,138	1,390,138	1,246,603	143,535
Social Services	682,094	682,094	493,775	188,319
Nutrition	594,980	732,980	731,745	1,235
Transportation	148,507	163,507	163,424	83
Parks & Facility Maintenance	2,803,268	2,803,268	2,359,959	443,309
Natural Areas	609,627	609,627	382,494	227,133
Planning	814,015	814,015	567,960	246,055
Contingency	2,373,670	2,220,670	-	2,220,670
TOTAL EXPENDITURES	<u>12,879,709</u>	<u>12,879,709</u>	<u>9,026,141</u>	<u>3,853,568</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,393,119)</u>	<u>(3,393,119)</u>	<u>4,597,600</u>	<u>7,990,719</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	549,020	549,020	44,071	(504,949)
Transfers out	(8,948,406)	(8,948,406)	(23,733)	8,924,673
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,399,386)</u>	<u>(8,399,386)</u>	<u>20,338</u>	<u>8,419,724</u>
NET CHANGE IN FUND BALANCE	(11,792,505)	(11,792,505)	4,617,938	16,410,443
FUND BALANCE, JUNE 30, 2022	<u>11,792,505</u>	<u>11,792,505</u>	<u>10,281,162</u>	<u>(1,511,343)</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,899,100</u>	<u>\$ 14,899,100</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			\$ 13,145	
FUND BALANCE (U.S. GAAP BASIS) - June 30, 2023			<u>\$ 14,912,245</u>	
Revenue/Other Financing Sources reconciliation:				
Revenues, budgetary basis			\$ 13,623,741	
Property tax accrual adjustment (U.S. GAAP basis)			1,044	
Interfund services provided (U.S. GAAP Basis)			44,071	
Revenues (U.S. GAAP Basis)			<u>\$ 13,668,856</u>	
Other financing sources (uses), budgetary basis			\$ 20,338	
Interfund services provided			(44,071)	
Other financing sources (uses) (U.S. GAAP Basis)			<u>\$ (23,733)</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 1 FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 183,330	\$ 183,330	\$ 551,182	\$ 367,852
Intergovernmental	15,000	15,000	3,988	(11,012)
Interest	25,000	25,000	177,480	152,480
TOTAL REVENUES	223,330	223,330	732,650	509,320
EXPENDITURES:				
Current:				
Materials and services	21,000	21,000	10,943	10,057
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	202,330	202,330	721,707	519,377
OTHER FINANCING (USES):				
Transfers out	(3,116,240)	(3,116,240)	(220,487)	2,895,753
NET CHANGE IN FUND BALANCE	(2,913,910)	(2,913,910)	501,220	3,415,130
FUND BALANCE, JUNE 30, 2022	5,498,470	5,498,470	6,001,917	503,447
FUND BALANCE, JUNE 30, 2023	\$ 2,584,560	\$ 2,584,560	\$ 6,503,137	\$ 3,918,577

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 10,943
Interfund services (U.S. GAAP Basis)	36,757
Expenditures (U.S. GAAP Basis)	<u>\$ 47,700</u>
Other financing uses, budgetary basis	\$ (220,487)
Interfund services	36,757
Other financing uses (U.S. GAAP Basis)	<u>\$ (183,730)</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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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, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District

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

Basis of Presentation, Measurement Focus, and Basis of Accounting

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

The District reports the following major funds:

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

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

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

The District reports the following fund types:

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

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

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fund Balances

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

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

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

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

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

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

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

The Board of County Commissioners has adopted Resolution No. 2019-67 approving the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted resources are available for the specific purpose for which it is restricted.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

When unrestricted fund balance is spent, the District will consider that committed amounts will be reduced first, followed by assigned amounts, and lastly, unassigned fund balance.

Fund balances by classification for the year ended June 30, 2023 were as follows:

	General Fund	System Development Charges Zone 1 Fund	Capital Projects Fund	Other Governmental Fund	Total
Nonspendable:					
Prepays	\$ 9,477	\$ -	\$ -	\$ -	\$ 9,477
Restricted for:					
Acquisition and development	-	6,503,137	3,414,836	5,213,545	15,131,518
Assigned to:					
Acquisition and development	-	-	3,166,020	-	3,166,020
Unassigned:	14,902,768	-	-	-	14,902,768
Total fund balances	<u>\$ 14,912,245</u>	<u>\$ 6,503,137</u>	<u>\$ 6,580,856</u>	<u>\$ 5,213,545</u>	<u>\$ 33,209,783</u>

Use of Estimates

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

Cash and Investments

ORS 294.035 authorizes the District to invest in general obligations of the United States and its agencies, debt obligations of the state of Oregon, California, Idaho, and Washington and their political subdivisions, banker's acceptances, corporate indebtedness, commercial paper, repurchase agreements, time certificates of deposit, fixed or variable life insurance contracts, and the State Treasurer's Local Government Investment Pool (LGIP). Cash and investments comprise funds held and invested by the County Treasurer and the LGIP. Authority to manage the investment program is granted to the publicly elected County Treasurer, and the District may not engage in an investment transaction without approval of the Treasurer. All bank deposits shall be held in qualified Oregon depositories in accordance with ORS Chapter 295. Financial information required by Governmental Accounting Standards Board Statements (GASB) No. 3, No. 31, No. 40, and No. 72 regarding the accounting and financial reporting for the District's pooled cash and investments, held by the County Treasurer, has been disclosed in the County's Annual Comprehensive Financial Report for the year ended June 30, 2023.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes Receivable

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

Accounts Receivable

Accounts receivable consists of charges for services and outstanding system development charges generated from new residential and commercial development throughout the District. All accounts receivable are shown net of an allowance for uncollectible accounts. As of June 30, 2023, the District believes all accounts receivable are fully collectible and an allowance for uncollectible accounts is not warranted.

Prepays

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

Deferred Outflows/Inflows of Resources

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

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

Capital Assets

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

Lease Assets

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subscription Based Software Assets

Subscription based software assets are assets for which the District pays fees to use the software for a term of more than one year. The value of subscriptions are determined by the net present value of the payments at the District's incremental borrowing rate at the time of the software agreement, amortized over the term of the agreement.

Pension Plan

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

Lease and Software Subscription Payable

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

New Accounting Pronouncements

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements became effective for fiscal year 2022-2023. At July 1, 2022, the District's software subscription asset equaled its software subscription payable, so no restatement to beginning balances was necessary due to the implementation of GASB Statement No. 96.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY [BUDGET]

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

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

Management may make transfers of appropriations within object levels, however transfers of appropriations between object levels require the approval of the Board. Unexpected additional resources may be added to the budget through the use of a supplemental budget. The Board at a regular Board meeting may adopt supplemental budgets less than 10% of the fund's original budget. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between object levels and require approval by the Board. The Board did not adopt any supplemental budgets during the year. Appropriations lapse as of fiscal year-end.

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	174,377
State of Oregon Treasurer's Local Government Investment Pool	34,018,946
	\$34,196,883

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

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

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

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

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

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

3. CASH AND INVESTMENTS (CONTINUED)

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

State statutes authorize the District to invest in general obligations of the U.S. Government and in its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements and bankers' acceptances, among others. Reference should be made to the June 30, 2023 Annual Comprehensive 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. Fair value is the same as the District's value in the pool shares.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023, 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	\$ 31,518	\$ 9,571	\$ 41,089
Less: allowance for uncollectibles	-	-	-
Net total accounts receivable	<u>\$ 31,518</u>	<u>\$ 9,571</u>	<u>\$ 41,089</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Increases	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 12,708,765	\$ -	\$ -	\$ 12,708,765
Construction in progress	1,970,132	994,431	-	2,964,563
Total capital assets not being depreciated	<u>14,678,897</u>	<u>994,431</u>	<u>-</u>	<u>15,673,328</u>
Capital assets being depreciated/ amortized:				
Buildings	13,078,455	-	-	13,078,455
Office equipment	1,269,824	-	(12,349)	1,257,475
Improvements	19,880,558	84,639	-	19,965,197
Vehicles	660,454	24,300	(16,524)	668,230
Intangible assets:				
Right to use asset	341,681	270	-	341,951
Software	-	118,965	-	118,965
Total capital assets being depreciated/amortized	<u>35,230,972</u>	<u>228,174</u>	<u>(28,873)</u>	<u>35,430,273</u>
Less accumulated depreciation/ amortization for:				
Buildings	(11,595,354)	(175,404)	-	(11,770,758)
Office equipment	(933,951)	(63,591)	6,175	(991,367)
Improvements	(8,998,189)	(973,389)	-	(9,971,578)
Vehicles	(568,461)	(22,787)	16,524	(574,724)
Intangible assets:				
Right to use asset	(97,623)	(90,030)	-	(187,653)
Software	-	(22,814)	-	(22,814)
Total accumulated depreciation/ amortization	<u>(22,193,578)</u>	<u>(1,348,015)</u>	<u>22,699</u>	<u>(23,518,894)</u>
Total capital assets being depreciated/amortized, net	<u>13,037,394</u>	<u>(1,119,841)</u>	<u>(6,174)</u>	<u>11,911,379</u>
Total capital assets, net	<u>\$ 27,716,291</u>	<u>\$ (125,410)</u>	<u>\$ (6,174)</u>	<u>\$ 27,584,707</u>

Depreciation and amortization expense was charged as follows:

Culture and recreation	\$ 1,328,418
Health and welfare	19,597
	<u>\$ 1,348,015</u>

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

6. TRANSFERS TO/FROM OTHER FUNDS

The District transfers resources to the Capital Projects Fund to accumulate resources for future capital acquisition. Transfers to/from other funds for the year ended June 30, 2023, consisted of the following:

	Capital Projects Fund
Transfers from:	
General Fund	\$ 23,733
System Development Charges Zone 1	183,730
Other Governmental Funds	26,821
Total	\$ 234,284

7. 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.

8. 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, 2023.

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.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

8. TAX ABATEMENTS (Continued)

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Fiscal Year 2023</u>
Enterprise Zone	\$ 38,104

9. LEASES

The District has entered into one lease agreement as a lessee for office space beginning July 1, 2021. The asset is included in Note 5 as an intangible right-to-use asset.

	<u>Original Amount</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Office building lease; interest at 0.165%, monthly payments of principal and interest ranging from \$7,782 to \$8,448	\$ 341,681	\$ 247,453	\$ -	\$ (96,961)	\$ 150,492

Future maturities are as follows:

	<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
Lease Payable Future:	2024	\$ 99,828	\$ 173
	2025	50,664	24
		\$ 150,492	\$ 197

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.

10. SUBSCRIPTION BASED SOFTWARE

The District implemented GASB 96 beginning July 1, 2022. The software is included in Note 5 as an intangible asset. Transactions are as follows:

	<u>Original Amount</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Software subscription; interest at 1.894%, annual payments of principal and interest of \$25,000	\$ 118,965	\$ -	\$ 118,965	\$ (23,517)	\$ 95,448

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

10. SUBSCRIPTION BASED SOFTWARE (Continued)

Subscription Payable Future:	Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
	2024	\$ 23,202	\$ 1,798
	2025	23,632	1,369
	2026	24,079	921
	2027	24,535	465
		<u>\$ 95,448</u>	<u>\$ 4,552</u>

11. RELATED-PARTY TRANSACTIONS

Labor and fringe benefit costs, administrative expenses for accounting, risk management, human resource management, technology services, public and government affairs, records management and other professional services totaling \$7,935,299 were paid to various County departments. At June 30, 2023, the District owed the County a net of \$445,608 for such services. Internal County departments allocate their expenses to all County departments including the District. Labor and fringe benefit costs for the District are based on actual costs and all other administrative costs are based on historical actual costs and allocated based on an activity-based costing methodology.

12. COMMITMENTS AND CONTINGENCIES

The District has commitments under various contracts for approximately \$1,574,001 at June 30, 2023.

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

13. SUBSEQUENT EVENT

On November 22, 2023, the NCPRD Board approved an amendment to commit funds to begin the construction phase of the Concord Property project totaling \$4,633,620. This phase of the project is for the park, splash pad, and various site work.

SUPPLEMENTARY INFORMATION

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>System Development Charges Zone 2 Fund</u>	<u>System Development Charges Zone 3 Fund</u>	<u>Total</u>
ASSETS			
Restricted cash and investments	\$ 2,568,678	\$ 2,647,294	\$ 5,215,972
TOTAL ASSETS	<u>\$ 2,568,678</u>	<u>\$ 2,647,294</u>	<u>\$ 5,215,972</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to Clackamas County	\$ 473	\$ 1,954	\$ 2,427
TOTAL LIABILITIES	<u>473</u>	<u>1,954</u>	<u>2,427</u>
FUND BALANCES			
Restricted	2,568,205	2,645,340	5,213,545
TOTAL FUND BALANCES	<u>2,568,205</u>	<u>2,645,340</u>	<u>5,213,545</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,568,678</u>	<u>\$ 2,647,294</u>	<u>\$ 5,215,972</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	System Development Charges Zone 2 Fund	System Development Charges Zone 3 Fund	Total
REVENUES:			
Licenses and permits	\$ 103,961	\$ 103,210	\$ 207,171
Interest	72,289	72,732	145,021
Intergovernmental	2,115	2,106	4,221
TOTAL REVENUES	<u>178,365</u>	<u>178,048</u>	<u>356,413</u>
EXPENDITURES:			
Current:			
Culture, education and recreation	10,722	6,507	17,229
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>167,643</u>	<u>171,541</u>	<u>339,184</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(20,163)	(6,658)	(26,821)
NET CHANGE IN FUND BALANCE	147,480	164,883	312,363
FUND BALANCE, JUNE 30, 2022	<u>2,420,725</u>	<u>2,480,457</u>	<u>4,901,182</u>
FUND BALANCE, JUNE 30, 2023	<u><u>\$ 2,568,205</u></u>	<u><u>\$ 2,645,340</u></u>	<u><u>\$ 5,213,545</u></u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 2 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 350,340	\$ 350,340	\$ 103,961	\$ (246,379)
Intergovernmental	5,000	5,000	2,115	(2,885)
Interest	12,000	12,000	72,289	60,289
TOTAL REVENUES	<u>367,340</u>	<u>367,340</u>	<u>178,365</u>	<u>(188,975)</u>
EXPENDITURES:				
Current:				
Materials and services	8,000	8,000	4,946	3,054
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	359,340	359,340	173,419	(185,921)
OTHER FINANCING (USES):				
Transfers out	(888,820)	(888,820)	(25,939)	862,881
NET CHANGE IN FUND BALANCE	(529,480)	(529,480)	147,480	676,960
FUND BALANCE, JUNE 30, 2022	<u>2,348,750</u>	<u>2,348,750</u>	<u>2,420,725</u>	<u>71,975</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ 1,819,270</u>	<u>\$ 1,819,270</u>	<u>\$ 2,568,205</u>	<u>\$ 748,935</u>

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 4,946
Interfund services (U.S. GAAP Basis)	5,776
Expenditures (U.S. GAAP Basis)	<u>\$ 10,722</u>
Other financing uses, budgetary basis	\$ (25,939)
Interfund services	5,776
Other financing uses (U.S. GAAP Basis)	<u>\$ (20,163)</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 3 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 123,640	\$ 123,640	\$ 103,210	\$ (20,430)
Intergovernmental	5,000	5,000	2,106	(2,894)
Interest	12,000	12,000	72,732	60,732
TOTAL REVENUES	140,640	140,640	178,048	37,408
EXPENDITURES:				
Current:				
Materials and services	8,000	8,000	4,969	3,031
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	132,640	132,640	173,079	40,439
OTHER FINANCING (USES):				
Transfers out	(99,160)	(99,160)	(8,196)	90,964
NET CHANGE IN FUND BALANCE	33,480	33,480	164,883	131,403
FUND BALANCE, JUNE 30, 2022	2,441,120	2,441,120	2,480,457	39,337
FUND BALANCE, JUNE 30, 2023	\$ 2,474,600	\$ 2,474,600	\$ 2,645,340	\$ 170,740

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 4,969
Interfund services (U.S. GAAP Basis)	1,538
Expenditures (U.S. GAAP Basis)	<u>\$ 6,507</u>
Other financing uses, budgetary basis	\$ (8,196)
Interfund services	1,538
Other financing uses (U.S. GAAP Basis)	<u>\$ (6,658)</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,950,000	\$ 1,950,000	\$ -	\$ (1,950,000)
Interest	91,000	91,000	209,439	118,439
TOTAL REVENUES	<u>2,041,000</u>	<u>2,041,000</u>	<u>209,439</u>	<u>(1,831,561)</u>
EXPENDITURES:				
Current:				
Materials and services	85,000	85,000	21,741	63,259
Capital outlay	14,459,604	14,459,604	1,323,406	13,136,198
TOTAL EXPENDITURES	<u>14,544,604</u>	<u>14,544,604</u>	<u>1,345,147</u>	<u>13,199,457</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,503,604)	(12,503,604)	(1,135,708)	11,367,896
OTHER FINANCING SOURCES:				
Transfers in	12,503,606	12,503,606	234,284	(12,269,322)
NET CHANGE IN FUND BALANCE	2	2	(901,424)	(901,426)
FUND BALANCE, JUNE 30, 2022	<u>7,543,570</u>	<u>7,543,570</u>	<u>7,482,280</u>	<u>(61,290)</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ 7,543,572</u>	<u>\$ 7,543,572</u>	<u>\$ 6,580,856</u>	<u>\$ (962,716)</u>

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OTHER FINANCIAL SCHEDULE

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2023

Tax Year	Uncollected June 30, 2022	Levy as Extended by Assessor	Discounts Allowed	Interest	Adjustments	Collections	Uncollected June 30, 2023
2022-23		\$ 7,102,857	\$ (948)	\$ 1,951	\$ (198,018)	\$ (6,801,542)	\$ 104,300
2021-22	136,203	-	(936)	4,002	(10,084)	(86,866)	42,319
2020-21	49,109	-	4	3,174	(4,193)	(27,542)	20,552
2019-20	33,556	-	-	3,828	(1,416)	(26,213)	9,755
2018-19	6,386	-	-	1,526	(696)	(4,635)	2,581
2017-18	3,113	-	-	492	(167)	(1,216)	2,222
2016-2017 and prior	12,093	-	-	79	(1,510)	(1,270)	9,392
	<u>\$ 240,460</u>	<u>\$ 7,102,857</u>	<u>\$ (1,880)</u>	<u>\$ 15,052</u>	<u>\$ (216,084)</u>	<u>\$ (6,949,283)</u>	<u>\$ 191,121</u>

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STATISTICAL INFORMATION

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Statistical Section

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the District's performance and well-being have changed over time.	39-42
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	44-48
<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.	49-52
<i>Demographic and Economic Information</i>	
These schedules off demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	53-54
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the informatin in the District's financial report relates to the services the District provides and the activities it performs.	55-57

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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
2014	\$ 28,695,599	\$ 108,503	\$ 5,888,077	\$ 7,111,677	\$ 41,803,856
2015	31,487,485	108,956	9,180,650	6,835,003	47,612,094
2016	31,573,020	1,609,806	12,675,699	7,948,666	53,807,191
2017	31,608,504	1,611,355	15,681,999	9,120,486	58,022,344
2018	27,320,530	1,500,000	25,855,807	10,354,456	65,030,793
2019	30,487,718	1,500,000	25,683,555	10,385,006	68,056,279
2020	28,709,906	-	13,288,728	11,471,987	53,470,621
2021	28,193,991	-	14,031,776	12,695,963	54,921,730
2022	27,468,838	-	15,063,360	13,843,641	56,375,839
2023	27,338,767	-	15,131,518	18,256,241	60,726,526

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Culture, education and recreation	\$ 6,400,741	\$ 6,941,053	\$ 6,546,071	\$ 6,913,076	\$ 8,198,709	\$ 7,410,746	\$ 7,434,393	\$ 5,632,975	\$ 8,407,030	\$ 9,086,719
Health and welfare	2,557,450	3,151,514	2,424,393	2,512,913	1,992,348	2,489,894	2,377,903	3,048,127	1,360,201	1,479,233
Interest on long-term debt/lease payable	462,994	390,654	369,622	347,982	287,707	128,732	49,448	-	446	336
Total expenses	9,421,185	10,483,221	9,340,086	9,773,971	10,478,764	10,029,372	9,861,744	8,681,102	9,767,677	10,566,288
Program Revenues:										
Charges for services:										
Culture, education and recreation	3,501,228	3,469,954	1,643,259	1,705,683	2,013,611	1,920,593	1,343,443	418,720	1,761,858	2,327,384
Health and welfare	1,390,998	1,625,996	490,843	516,216	327,797	450,510	315,128	179,451	755,082	378,877
Operating grants and contributions:										
Culture, education and recreation	650,916	760,915	528,012	197,348	357,715	1,147,078	1,130,720	997,473	346,296	2,446,218
Health and welfare	448,983	522,277	504,616	509,763	335,348	269,068	269,068	427,488	148,413	1,048,379
Capital grants and contributions:										
Culture, education and recreation	508,379	3,590,561	3,847,875	3,925,943	2,338,138	2,273,696	2,833,282	1,379,654	1,452,371	758,353
Total program revenues	6,500,504	9,969,703	7,014,605	6,854,953	5,372,609	6,060,945	5,891,641	3,402,786	4,464,020	6,959,211
Net Expense	(2,920,681)	(513,518)	(2,325,481)	(2,919,018)	(5,106,155)	(3,968,427)	(3,970,103)	(5,278,316)	(5,303,657)	(3,607,077)
General Revenues:										
Property taxes levied for general purposes	5,989,488	6,240,654	6,548,536	6,870,480	7,199,471	5,917,835	7,839,539	6,466,047	6,613,648	6,900,234
Earnings on investments	52,818	61,274	108,684	261,026	499,910	949,549	727,519	177,743	141,868	1,056,202
Interagency transfer in	-	-	1,859,382	-	-	-	-	-	-	-
Miscellaneous	47,322	19,828	3,976	2,665	64,912	126,529	99,500	85,635	2,250	1,328
Total general revenues	6,089,628	6,321,756	8,520,578	7,134,171	7,764,293	6,993,913	8,666,558	6,729,425	6,757,766	7,957,764
Change In Net Position before Special Item	3,168,947	5,808,238	6,195,097	4,215,153	2,658,138	3,025,486	4,696,455	1,451,109	1,454,109	4,350,687
Special Item:										
Gain on capital asset disposal	-	-	-	-	4,350,311	-	-	-	-	-
(Loss) on settlement agreement	-	-	-	-	-	-	(19,282,112)	-	-	-
Total Change In Net Position	\$ 3,168,947	\$ 5,808,238	\$ 6,195,097	\$ 4,215,153	\$ 7,008,449	\$ 3,025,486	\$ (14,585,657)	\$ 1,451,109	\$ 1,454,109	\$ 4,350,687

Notes:

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

Source: Clackamas County Finance Department

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ 1,582	\$ 18,362	\$ 9,636	\$ 14,375	\$ 12,591	\$ 1,615	\$ 2,950	\$ 10,395	\$ 102	\$ 9,477
Assigned	-	-	-	-	-	-	-	-	118,932	-
Unassigned	3,397,971	3,541,816	4,369,031	4,669,479	5,464,227	5,224,600	6,863,231	8,483,479	10,174,229	14,902,768
Total General Fund	<u>\$3,399,553</u>	<u>\$ 3,560,178</u>	<u>\$ 4,378,667</u>	<u>\$ 4,683,854</u>	<u>\$ 5,476,818</u>	<u>\$ 5,226,215</u>	<u>\$ 6,866,181</u>	<u>\$ 8,493,874</u>	<u>\$10,293,263</u>	<u>\$14,912,245</u>
All Other Governmental Funds:										
Special revenue funds:										
Nonspendable	\$ 120	\$ -	\$ -	\$ 342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,221,523	7,427,707	12,174,247	15,161,252	16,140,167	16,361,472	8,516,570	9,668,542	10,903,099	11,716,682
Assigned	609,599	352,593	336,917	299,756	275,112	308,916	435,364	618,320	-	-
Capital project funds:										
Nonspendable	-	32,400	-	-	-	-	-	-	-	-
Restricted	2,666,554	1,752,943	501,452	520,747	9,715,640	9,322,083	4,509,765	4,363,234	4,160,261	3,414,836
Assigned	1,507,304	2,187,916	2,720,531	3,618,905	4,193,490	4,495,571	3,412,561	3,377,147	3,322,019	3,166,020
Debt service funds:										
Restricted	108,503	108,956	1,609,806	1,611,355	1,500,000	1,500,000	262,393	-	-	-
Assigned	99,285	104,528	106,709	121,676	147,027	186,649	-	-	-	-
Total All Other Governmental Funds	<u>\$8,212,888</u>	<u>\$ 11,967,043</u>	<u>\$ 17,449,662</u>	<u>\$ 21,334,033</u>	<u>\$31,971,436</u>	<u>\$32,174,691</u>	<u>\$17,136,653</u>	<u>\$18,027,243</u>	<u>\$18,385,379</u>	<u>\$18,297,538</u>

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

Source: Clackamas County Finance Department

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Property taxes	\$ 5,978,500	\$ 6,230,823	\$ 6,519,506	\$ 6,855,995	\$ 7,324,250	\$ 5,987,708	\$ 7,833,028	\$ 6,475,391	\$ 6,591,911	\$ 6,950,617
Charges for services	2,307,795	2,125,883	2,134,102	2,192,332	2,341,408	2,371,103	1,658,571	598,171	2,516,940	2,706,261
Intergovernmental	741,117	1,085,715	2,326,650	530,279	505,210	1,207,962	638,808	1,823,799	244,570	8,209
Licenses and permits	1,720,686	3,858,387	4,043,707	3,425,942	2,338,138	1,073,696	2,205,769	1,379,654	1,452,371	758,353
Interest	52,817	61,274	108,685	261,026	499,910	949,549	727,519	177,743	141,868	1,056,202
Contributions	162,202	192,270	205,978	-	-	-	-	-	-	-
Donations/Grants	-	-	-	206,399	187,853	208,184	182,227	150,915	206,085	3,442,317
Miscellaneous	28,702	19,828	3,976	42,050	195,580	220,037	239,421	192,892	46,304	45,399
Total revenues	10,991,819	13,574,180	15,342,604	13,514,023	13,392,349	12,018,239	13,485,343	10,798,565	11,200,049	14,967,358
Expenditures:										
Culture and recreation	5,297,436	5,875,053	5,393,315	5,703,417	6,828,034	6,546,014	6,467,811	4,803,234	7,169,713	5,861,151
Health and welfare	2,104,611	2,251,684	2,080,064	2,156,831	1,759,919	2,269,565	2,150,262	2,703,162	1,167,163	3,129,363
Capital outlay	993,113	471,282	506,611	409,036	1,585,201	2,755,085	1,261,277	773,886	901,144	1,442,371
Debt service:										
Interest	394,338	376,381	705,000	335,181	298,828	114,925	114,063	-	446	1,819
Principal	665,000	685,000	356,506	720,000	5,530,000	380,000	2,590,000	-	94,228	120,478
Bond miscellaneous charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	9,454,498	9,659,400	9,041,496	9,324,465	16,001,982	12,065,589	12,583,413	8,280,282	9,332,694	10,555,182
Excess (deficiency) of revenues over (under) expenditures	1,537,321	3,914,780	6,301,108	4,189,558	(2,609,633)	(47,350)	901,930	2,518,283	1,867,355	4,412,176
Other Financing Sources:										
Lease Financing	-	-	-	-	-	-	-	-	341,681	118,965
Special Item:										
Land sale proceeds	-	-	-	-	14,040,000	-	-	-	-	-
Settlement agreement	-	-	-	-	-	-	(14,300,000)	-	-	-
Net Change in Fund Balances	\$ 1,537,321	\$ 3,914,780	\$ 6,301,108	\$ 4,189,558	\$ (2,609,633)	\$ (47,350)	\$ (13,398,070)	\$ 2,518,283	\$ 2,209,036	\$ 4,531,141
Debt service as a percentage of noncapital expenditures	12.5%	11.6%	12.4%	11.8%	40.4%	5.3%	23.9%	-	1.1%	1.3%

Source: Clackamas County Finance Department

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	Public Utilities	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	True Cash Value	Assessed Value as a Percentage of True Cash Value
2014	\$ 12,148,737,452	\$ 412,784,559	\$ 31,933,209	\$ 253,752,914	\$ 1,400,266,009	\$ 11,446,942,125	\$ 0.53	\$ 12,850,318,591	89.08 %
2015	12,707,922,936	418,777,464	33,753,256	273,526,828	1,441,606,174	11,992,374,310	0.50	14,260,099,520	84.10
2016	13,370,875,216	416,757,236	36,633,306	296,184,300	1,495,786,659	12,624,663,399	0.54	15,927,771,309	79.26
2017	13,994,666,666	436,869,762	40,259,567	310,713,100	1,529,955,330	13,252,553,765	0.53	18,260,306,778	72.58
2018	14,685,919,772	447,170,936	46,090,839	324,431,754	1,561,948,261	13,941,665,040	0.53	20,286,725,848	68.72
2019	12,217,413,194	447,634,113	48,533,384	256,542,100	1,284,664,800	11,685,457,991	0.53	17,843,416,493	65.50
2020	16,146,206,741	499,450,522	54,827,567	308,225,600	1,755,199,374	15,253,511,056	0.53	23,630,114,057	64.55
2021	19,164,218,336	448,201,076	67,163,350	273,988,747	7,296,546,976	12,657,024,533	0.53	19,953,571,509	63.43
2022	20,785,892,540	444,334,269	76,681,940	274,936,465	8,501,495,160	13,080,350,054	0.53	21,581,845,214	60.61
2023	23,931,346,985	459,688,120	97,237,850	286,401,091	11,156,629,358	13,618,044,688	0.53	24,774,674,046	54.97

(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

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

Year	North Clackamas Parks & Recreation District		Overlapping Rates ⁽³⁾							Total Direct & Overlapping Range	
	General Operations	Total Direct ⁽²⁾ Rate	Clackamas County	County Component Units	Cities	Schools	College/ ESD	Fire	Other Special		Total Direct & Overlapping
2014	0.53	0.53	2.92	0.82	1.38	7.10	1.05	2.44	0.62	16.87	15.45-18.95
2015	0.50	0.50	2.77	0.84	1.34	6.59	1.01	2.27	0.58	15.91	15.17-20.43
2016	0.54	0.54	2.94	0.78	1.30	7.23	1.10	2.49	0.54	16.92	15.46-20.84
2017	0.53	0.53	2.97	0.84	1.13	7.16	1.09	2.47	0.55	16.74	15.42-20.83
2018	0.53	0.53	2.94	0.82	1.28	7.13	1.09	2.48	0.64	16.91	15.32-20.95
2019	0.53	0.53	3.09	0.97	0.84	7.32	1.10	2.46	0.72	17.04	15.26-21.01
2020	0.53	0.53	2.94	0.83	1.26	4.53	1.08	2.48	0.88	14.53	15.64-22.84
2021	0.53	0.53	3.06	0.99	0.89	4.30	1.10	2.40	0.84	14.11	15.49-22.56
2022	0.53	0.53	3.06	0.99	0.89	4.38	1.07	2.39	0.82	14.12	15.48-22.62
2023	0.53	0.53	3.11	0.97	1.09	4.20	1.15	2.37	0.80	14.22	15.69-22.77

(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, 2023 AND NINE YEARS AGO

Taxpayer	2023			2014		
	Taxable Assessed	Rank	Percentage of Total District Taxable Assessed	Taxable Assessed	Rank	Percentage of Total District Taxable Assessed
	Value		Value	Value	Value	Value
Portland General Electric Company	\$ 1,123,263,000	1	1.84 %	\$ 574,394,726	1	1.42 %
General Growth Properties	300,922,103	2	0.49	411,763,915	2	1.02
Northwest Natural Gas Company	291,459,000	3	0.48	174,232,000	5	0.43
PCC Structurals Inc.	281,316,053	4	0.46	102,095,512	8	0.25
Fred Meyer Stores Inc.	275,556,820	5	0.45	281,241,542	3	0.70
Shorenstien Properties	239,741,691	6	0.39	254,867,466	4	0.63
Comcast Corporation	95,565,000	7	0.16	172,033,400	6	0.43
ROIC Oregon LLC	94,174,515	8	0.15			
Lumen Technologies	79,455,000	9	0.13			
Meadows Road LLC	78,722,967	10	0.13			
Kaiser Foundation Hosp				104,224,270	7	0.26
Xerox Corp				87,672,754	9	0.22
Blount Inc				75,919,228	10	0.19
Total	\$ 2,860,176,149		4.70 %	\$ 2,238,444,813		5.54 %

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
2014	\$ 6,097,777	\$ 5,782,712	94.8 %	\$ 164,636	\$ 5,947,349	97.5 %
2015	6,387,502	6,068,477	95.0	155,925	6,224,403	97.4
2016	6,707,093	6,381,404	95.1	140,881	6,522,285	97.2
2017	7,048,958	6,721,214	95.4	125,705	6,846,919	97.1
2018	7,398,202	7,046,634	95.2	137,118	7,183,753	97.1
2019	6,151,624	5,884,693	95.6	91,111	5,975,804	97.1
2020	8,057,767	7,702,870	95.6	123,209	7,826,079	97.1
2021	6,640,657	6,357,340	95.7	77,657	6,434,997	96.9
2022	6,846,117	6,511,527	95.1	86,866	6,598,393	96.4
2023	7,102,857	6,801,542	95.8	-	6,801,542	95.8

Source: Clackamas County Department of Assessment and Taxation

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

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	Full Faith & Credit Obligations Series 2008 Bonds	Full Faith & Credit Obligations Series 2010 Bonds	Lease	Software Subscription				
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	0.12	70.05	
2018	-	3,040,327	-	-	3,040,327	0.04	24.92	
2019	-	2,649,654	-	-	2,649,654	0.04	21.72	
2020	-	-	-	-	-	N/A	0.00	
2021	-	-	-	-	-	N/A	0.00	
2022	-	-	247,453	-	247,453	N/A	2.36	
2023	-	-	150,492	95,448	245,940	0.003	2.12	

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	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
2014	\$ 10,735,386	\$ 10,735,386	\$ (108,503)	\$ 10,626,883	0.09 %	\$ 91.21
2015	10,038,813	10,038,813	(108,956)	9,929,857	0.08	84.82
2016	9,322,186	9,322,186	(109,806)	9,212,380	0.07	75.11
2017	8,590,613	8,590,613	(111,355)	8,479,258	0.06	69.14
2018	3,040,327	3,040,327	-	3,040,327	0.02	24.92
2019	2,649,654	2,649,654	-	2,649,654	0.02	21.72
2020	-	-	-	-	0.00	0.00
2021	-	-	-	-	0.00	0.00
2022	-	-	-	-	0.00	0.00
2023	-	-	-	-	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, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
City of Happy Valley	\$ -	0.24	\$ -
City of Milwaukie	54,892,508	99.34	54,532,907
Clackamas Community College	127,080,045	30.48	38,730,439
Clackamas County	105,100,000	22.40	23,539,352
Clackamas County Education Service District	19,855,267	23.29	4,625,066
Clackamas County Rural Fire Protection District #1	23,488,636	49.15	11,544,829
Clackamas County School District #115 (Gladstone)	22,709,934	5.37	1,220,591
Clackamas County School District #12 (North Clackamas)	639,927,666	75.88	485,570,074
Clackamas County School District #62 (Oregon City)	268,107,085	8.28	22,200,607
Clackamas Soil & Water Conservation	5,416,000	22.40	1,213,027
Metro	822,713,920	5.85	48,132,878
Oak Lodge Water Service District	595,000	98.20	584,305
Port of Portland	-	5.33	-
Other debt:			
City of Happy Valley	13,700,000	0.24	32,880
City of Milwaukie	2,005,000	99.34	1,991,767
Clackamas Community College	16,000,000	30.48	4,876,800
Clackamas County Rural Fire Protection District #1	9,540,000	49.15	4,688,910
Clackamas County School District #12 (North Clackamas)	1,325,083	75.88	1,005,473
Clackamas County School District #62 (Oregon City)	141,187	8.28	11,690
Metro	10,715,000	5.85	626,828
Oak Lodge Water Services District	3,708,181	98.20	3,641,434
Port of Portland	39,375,000	5.25	2,067,188
Subtotal overlapping debt			710,837,044
District direct debt			<u>245,940</u>
Total direct and overlapping debt			<u>\$ 711,082,984</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
2014	\$ 12,850,318,591	13 %	\$ 1,670,541,417	\$ 10,735,386	\$ 1,659,806,031	0.64
2015	14,260,099,520	13	1,853,812,938	10,038,813	1,843,774,125	0.54
2016	15,927,771,309	13	2,070,610,270	9,322,186	2,061,288,084	0.45
2017	18,260,306,778	13	2,373,839,881	8,590,613	2,365,249,268	0.36
2018	20,286,725,848	13	2,637,274,360	3,040,327	2,634,234,033	0.12
2019	17,843,416,493	13	2,319,644,144	2,649,654	2,316,994,490	0.11
2020	23,630,114,057	13	3,071,914,827	-	3,071,914,827	0.00
2021	19,953,571,509	13	2,593,964,296	-	2,593,964,296	0.00
2022	21,581,845,214	13	2,805,639,878	247,453	2,805,392,425	0.01
2023	24,774,674,046	13	3,220,707,626	245,940	3,220,461,686	0.01

Note:

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

Source: Clackamas County Finance Department

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

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income ⁽¹⁾	Clackamas County Unemployment Rate ⁽²⁾
2014	116,505	\$ 5,539,813	\$ 47,550	6.4 %
2015	117,064	5,872,984	50,169	5.6
2016	122,652	6,301,737	51,379	4.7
2017	122,642	6,900,820	56,268	3.9
2018	122,000	7,186,166	58,903	3.7
2019	122,000	7,487,750	61,375	3.9
2020	105,000	6,803,055	64,791	5.8
2021	105,000	N/A	N/A	6.9
2022	105,000	N/A	N/A	3.8
2023	116,000	8,294,464	71,504	3.9

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

Notes:

- (1) Data is for calendar years for Clackamas County from Bureau of Economic Analysis
 - (2) This number has been updated to reflect rates specific to Clackamas County per the State Employment Department.
- N/A: Not available

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
PRINCIPAL EMPLOYERS (1)
JUNE 30, 2023 AND NINE YEARS AGO

Employer	2023			2014		
	Employees	Rank	Percentage of Total ⁽²⁾	Employees	Rank	Percentage of Total ⁽²⁾
Intel Corp.	22,328	1	.02 %	16,700	1	.02 %
Providence Health & Services	19,687	2	.02	14,132	2	.01
Oregon Health & Sciences University	18,497	3	.01	14,106	3	.01
Nike Inc.	15,125	4	.01	7,000	10	.01
Legacy Health	13,087	5	.01	9,835	7	.01
Kaiser Permanente	12,262	6	.01	9,896	6	.01
Fred Meyer	9,374	7	.01	10,176	5	.01
Portland Public Schools	6,814	8	.01			
City of Portland	6,483	9	.01	9,318	8	.01
Multhomah County	5,307	10	.00			
U.S. Federal Govt.				13,900	4	.01
State of Oregon				7,559	9	.01
Total	128,964		0.10 %	112,622		0.10 %

Sources:

(1) Statistics are the latest available data published in the Portland Business Journal *Book of Lists 2023* , and *Book of Lists 2014* .

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

Year Ended June 30,	Health and Welfare	Culture and Recreation	Total
2014	10.65	26.85	37.50
2015	8.72	25.90	34.62
2016	8.41	24.02	32.43
2017	8.36	25.46	33.82
2018	7.34	28.36	35.70
2019	7.46	26.24	33.70
2020	7.46	27.93	35.39
2021	7.51	27.88	35.39
2022	5.68	30.11	35.79
2023	6.32	32.47	38.79

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Health and welfare:										
Social service units provided	6,647	5,264	8,216	7,967	8,996	8,890	5,680	4,250	5,280	7,852
Meals on Wheels and on-site meals served	70,966	69,756	70,341	67,256	76,515	67,006	72,298	72,060	74,058	75,975
One way rides, older adults and disabled	10,360	10,240	9,678	8,357	9,887	8,570	5,794	-	3,910	5,007
Culture and recreation:										
Recreation programs	97	60	58	65	61	71	63	27	48	47
Recreation class participants	4,483	3,381	2,580	3,500	3,492	3,913	3,263	926	2,294	2,781
Recreation classes	298	231	234	238	217	271	195	101	192	215
Swim lesson participants	4,253	4,488	4,739	4,991	4,421	4,678	3,611	-	2,202	2,783
Aquatic park total customers served	262,812	253,086	243,907	233,955	235,647	228,350	146,279	14,464	116,124	162,352

2015 Note: The Aquatic Park provides open swim, swim lessons, lap swim, big surf, aquatic exercise, swim team and rental opportunities. This number more accurately reflects operational outcomes.

2015 Note: New swim lesson program with lower ratios.

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

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

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

Function	Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	4	4	4	4	4	4	4	4	4
Culture and recreation:										
Acreage-maintained	596	501	501	520	527	640	358	358	276	276
Parks maintained	55	63	63	64	64	64	60	60	58	58
Play structures	32	33	33	33	36	37	32	32	31	31
Maintenance vehicles/equipment	31	32	33	35	35	35	35	35	36	36
Passenger van (Recmobile)	1	1	1	1	1	2	2	2	2	2
Aquatic Park (five pools, game room, activity rooms)	1	1	1	1	1	1	1	1	1	1
Sports fields:										
Baseball	11	11	11	13	14	14	14	14	10	10
Soccer	6	6	6	6	8	8	8	8	7	7
Tennis courts	3	3	3	3	3	3	3	3	3	3
Basketball	18	17	17	17	19	19	16	19	19	19
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Sports programs	-	127	75	70	21	24	31	14	23	36
Sports program participants	-	7,040	6,769	6,890	5,885	5,952	5,126	962	3,916	5,555
Sports courses offered during the year	-	248	118	87	94	98	70	49	98	106

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

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

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons of the General Fund and System Development Charges Zone 1 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2023, 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 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Portland, Oregon
December 22, 2023

REPORT OF INDEPENDENT AUDITORS REQUIRED BY OREGON STATE REGULATIONS

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Report of Independent Auditors Required by Oregon State Regulations

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons of the General Fund and System Development Charges Zone 1 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2023, 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 22, 2023.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

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

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

Internal Control Over Financial Reporting

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

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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



Ashley Osten, Partner, for
Moss Adams LLP
Portland, Oregon
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