

# Clackamas County Development Agency

(A Component Unit of Clackamas County, Oregon)



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## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

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**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Prepared by:

Clackamas County Department of Finance  
Marc S. Gonzales, Director of Finance  
Christa Bosserman Wolfe, Assistant Finance Director, CPA  
David Bodway, Finance Manager

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)**

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**INTRODUCTORY SECTION**



**DAN JOHNSON**  
MANAGER

**DEVELOPMENT AGENCY**

**DEVELOPMENT SERVICES BUILDING**  
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

November 25, 2015

To the Citizens of Clackamas County:

The Comprehensive Annual Financial Report of the Clackamas County Development Agency (the Agency), an Urban Renewal Agency, for the fiscal year ending June 30, 2015 is hereby submitted as mandated by state statute. State statute requires that the Agency issue a report annually on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Agency's management and is 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. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to fairly present the financial position and results of operations of the Agency and its various funds. All disclosures necessary to enable the reader to gain an understanding of the Agency's financial activities have been included.

This report includes all funds of the Agency. The Agency oversees the activities of four urban renewal districts in unincorporated Clackamas County. These districts are the Clackamas Town Center Development Area, the North Clackamas Revitalization Area, the Clackamas Industrial Development Area and the Government Camp Village Revitalization Area. Each area has differing needs that drove the decision to form the district in which urban renewal programs are applied.

Oregon Municipal Audit Law, as contained in the Oregon Revised Statutes, requires an annual audit by independent certified public accountants. The firm of Moss Adams, LLP, was selected to perform the audit for the fiscal year ending June 30, 2015. The auditor's report on the general purpose financial statements is included in the financial section of this report.

Management's discussion and analysis immediately follows the report of the independent auditors and provides a narrative, introduction, overview and analysis of the basic financial statements. The management discussion and analysis, complements this letter and should be read in conjunction with it.

## ***Profile of the Development Agency***

The Agency is a component unit of Clackamas County, Oregon; the Clackamas County Board of Commissioners serves as its governing body. It has a budget committee, composed of the County Commissioners and five citizens, which reviews and approves the fiscal year budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by expenditure category within an individual fund. Budgeted funds include capital projects and tax increment funds for the urban renewal areas discussed below. The Director of Clackamas County's Department of Transportation and Development oversees the activities of the Agency and reports to the County Administrator and the Board of County Commissioners.

The Agency operated four urban renewal areas through fiscal year 2015. Three of these areas are located in one of Oregon's fastest growing regions -- the urbanized northeast portion of Clackamas County.

The **Clackamas Town Center Development Area (CTC)**, which currently encompasses approximately 819 acres, was the first urban renewal program in Clackamas County. With a primary focus on the area around the intersection of I-205 and SE Sunnyside Road, this district focused on the community's need for new and expanded road systems to support the opening of the Clackamas Town Center shopping mall, and to meet the needs of the growing residential neighborhoods, and expanding health care facilities and businesses. In June of 2013, the tax levy within the CTC area was terminated. While the district is not receiving any tax increment revenues, remaining funds are programmed over the upcoming years to complete remaining projects within the plan area.

Just to the northwest of the Clackamas Town Center Area is the Agency's newest urban renewal area, the **North Clackamas Revitalization Area (NCRA)**. The Plan for this area was adopted in May 2006 and the area began receiving tax revenue in November 2007. Area residents helped develop the long-range plan for the district and its component projects. This 1,008-acre, primarily residential area is bordered by the County line to the north, the city of Milwaukie to the west, Monroe Street on the south and I-205 to the east. The NCRA was formed to help revitalize an area that had been historically depressed and blighted. While initial projects have focused on expanded sewer service and accessibility to these services in the area, future projects and programs will emphasize improving housing, reducing crime, upgrading the transportation system and generally increasing livability for current residents.

The **Clackamas Industrial Area (CIA)** is a major regional distribution, warehousing and wholesale trade center. Industry is attracted to the area for a variety of reasons, including access to the interstate freeway system and the international airport, and a large diversified labor force living nearby. The primary goals of the CIA are to reduce traffic congestion, control flooding and improve drainage, promote economic development and create new jobs for local residents. In 2006, the Agency terminated its tax levy in the CIA. Remaining projects are being completed with carryover funds that remain in the district's budget.

To the Citizens of Clackamas County  
November 25, 2015

The **Government Camp Village Revitalization Area**, in the village of Government Camp on Mt. Hood in far eastern Clackamas County, straddles U.S. Highway 26, the major roadway from the Portland metropolitan area to central and eastern Oregon, and is surrounded by Mt. Hood National Forest. The objective of the Government Camp Plan was to target public investment to revitalize this mountain community into a recreation destination and to encourage private developments such as resorts, hotels, condominiums, retail, restaurants, recreational facilities and single-family homes. Government Camp now has a wide range of year-round recreational opportunities (including close proximity to the only year-round Alpine skiing in the lower 48 states) and scenic vistas. As a result of urban renewal investments, Government Camp has become the retail and recreational center of Mt. Hood. With most major projects completed, the Agency terminated the tax levy in Government Camp in 2009. As in the CTC and CIA, remaining projects are being completed with carryover funds that remain in the district's budget.

### ***Local Economy***

As a whole, Clackamas County has experienced steady growth in population and development. County population increased from 313,000 in 1997 to an estimated 395,000 in 2014.

- In the **Clackamas Town Center Area**, assessed values were \$32 million in 1980 when the area was adopted. Assessed values in 2013 of over \$584 million reflect the fact that this has been the region's fastest growing business center with development of high quality office, retail and multi-family projects. Increases in assessed values attest to the overall success of urban renewal area planning and development. In June 2013, the urban renewal levy within the Clackamas Town Center Area was terminated, adding over the life of the plan an additional \$704 million of assessed value to the tax rolls. (The area of the plan was reduced in 1988 adding \$90 million to the tax rolls, and in 2005, adding \$48 million back. The final assessed value of \$584 combined with the value of the plan reduction areas totals \$704 million).
- The **North Clackamas Revitalization Area** was valued at \$539 million in 2015, up from \$397.7 million when the district was formed in 2006. Further development is expected now that sewers have been installed, and programs to revitalize housing and streetscape improvements are in progress.
- The original assessed value of the **Clackamas Industrial Area**, adopted in 1984, was \$300 million. After making improvements that increased property values, in 2001 the Agency added \$253.5 million to the general tax rolls and reduced the size of the district by 50 percent. In 2006 when the tax levy was ended, the assessed value of the remaining district was \$323 million.
- Assessed property values in the **Government Camp Area** have increased greatly, from \$24 million when the urban renewal plan was adopted in 1989 to \$160 million when the tax levy was terminated in 2009. Improved infrastructure and support for façade improvements and private development have resulted in the community becoming a popular year-round vacation destination.

To the Citizens of Clackamas County  
November 25, 2015

The Agency's work has fostered over \$1 billion of increased assessed value in and around the aforementioned urban renewal areas. With the termination of three of the four urban renewal areas, the majority of this assessed value has been added back to the tax rolls to assist overlapping taxing districts in the provision of services to the citizens of Clackamas County.

The business base of Clackamas County is chiefly retail, warehousing and tourism, with metals manufacturing, machinery, healthcare, forestry, and agriculture also holding important places in the economic mix.

Along with the rest of the country, Oregon has been experiencing significant recovery since the recession of 2008 and currently ranks fourth in the nation for job growth. Over the past year the job growth rate has risen to 3-4%, adding 50,000 jobs (Oregon State Office of Economic Analysis). The industries that continue to add jobs are manufacturing and natural resources.

The Portland area and Clackamas County have exceeded the rest of the state in terms of job growth. In terms of unemployment, Oregon ranked tenth highest in the nation with a rate of 5.8%, at the end of the fiscal year (U.S. Dept. of Labor). Again, Portland and Clackamas County's rates are more favorable, with both registering an unemployment rate of 5.8%. The housing market has improved significantly over the last few years, which bodes well for continued economic recovery.

### ***Long-Term Financial Planning***

Throughout the past decade, residential development has outpaced both commercial and industrial development in Clackamas County. This creates an imbalance for communities as the revenue collected by ad valorem property tax is less than the cost of providing services. A greater mix of commercial and industrial development is needed to restore the balance, and Agency activities have and are continued to expect to play an important role in this long-term effort.

Agency projects are developed in conjunction with the community at large to solve specific problems, to bring in new jobs and to promote a positive image, with resulting increases in assessed values that also support infrastructure development. Over the long run, urban renewal accomplishes what other funding streams cannot because it provides a framework for planning, sequencing and implementing long-term projects that provides for community-wide development of infrastructure and the related stability needed to attract private sector growth and investment.

### ***Relevant Financial Policies***

The urban renewal philosophy is to revitalize "blighted areas" as defined by Oregon law. Projects in each urban renewal area plan are designed to remove or correct those blighting influences, which then allows for new development and/or redevelopment. Policies set forth within each urban renewal plan determine the use of Agency funds.

To the Citizens of Clackamas County  
November 25, 2015

- The **CTC Development Area** was formed originally to provide transportation and community facilities. The Clackamas Regional Center Plan of 1998, which is part of the County's Comprehensive Plan, also provides for the intensification of Class A office facilities.
- The **NCRA Plan** addresses improved public health and safety in a mix of affordable housing types and mixed-use neighborhoods that provide retail, economic, educational, transportation and recreational opportunities.
- Goals established in the **CIA Plan** call for the reduction of traffic congestion, improved drainage, flood control, economic development and creation of new jobs.
- The **Government Camp Village Revitalization Plan** calls for enlivening the mountain community through enhancement of infrastructure and overall appearance, especially in the retail core, diversification of recreational uses, improved local access and circulation, and increased winter parking.

### ***Major Initiatives***

The Agency encourages high quality development and economic prosperity in the County and administers its four urban renewal areas accordingly. The areas are:

- Clackamas Town Center Development Area - a regional retail and business center.
- Clackamas Industrial Development Area - the largest wholesale distribution and manufacturing area in the County.
- North Clackamas Revitalization Area – a residential neighborhood community in need of improved public services and community investment.
- Government Camp Village Revitalization Area - a mountain residential and tourist community with historical significance and numerous recreation opportunities.

Typically the Agency supports economic growth by providing needed public improvements to promote orderly and attractive development. This new development brings jobs, an improved image and an increase in assessed real property value. Urban renewal projects are formed to revitalize “blighted areas” as defined in Oregon statute.

Funding for urban renewal projects is raised primarily through tax increment financing (TIF). The assessed value of property in an urban renewal district is divided into two parts:

- 1) The assessed value before the district is formed. The taxes from this assessed value pay for education and other local government services.
- 2) The increase in assessed value after the district is formed. The taxes on this increase, which occurs as development improves the area, pay for urban renewal projects.

## **CLACKAMAS TOWN CENTER AREA (CTC)**

**Adding Back:** An important component of any urban renewal plan is the ability to, through new development, increase assessed value to the tax rolls for use by overlapping taxing districts in the area. Throughout the life of this plan, the Agency continued to be responsive to the needs of its overlapping taxing partners. This focus led to two key amendments of the plan area, one in 1988 and one in 2005, which reduced the size of the district and added \$186 million of assessed value to the general tax rolls for use by our taxing partners. In June 2013, the urban renewal levy within the Clackamas Town Center Area was terminated, adding \$584 million to the tax rolls, and \$704 million over the life of the plan. This is value that would not have been realized without the presence of urban renewal to prioritize and fund needed infrastructure improvements that fostered new development in the area.

**Clackamas Regional Center Working Group:** Prior to the June 2013 termination of the Clackamas Town Center levy, there was an intensive assessment of the remaining needs of the community. In May 2012 the Clackamas Regional Center Working Group was formed to discuss and identify the local community's priorities and recommend the projects to be implemented with the remaining funds available to the district. The Working Group was comprised of representatives from area businesses, community organizations, local service districts, neighboring jurisdictions and residents. The effort included open house events and web-based surveys to vet the findings and project recommendations with the community. Projects were identified, and the Committee worked with staff to develop a final work program for the Board of County Commissioners that identified the highest priority projects to benefit the community and promote economic growth in the area. This work program was designed to provide staff with a more refined focus to assist with future budgeting and scheduling of construction activity within the district. The work program was presented to the Board of County Commissioners for consideration. The following projects were prioritized by the Board for design or construction starting in FY 2014/2015:

**Monterey Extension (82<sup>nd</sup> to Fuller):** The construction of a westerly extension of Monterey Avenue that will continue from 82<sup>nd</sup> Avenue to Fuller Road began in May 2015. This project will provide much-needed east-west connectivity, which is a priority of the Clackamas Regional Center Working Group. The project is expected to be completed by November of 2015.

**Sunnyside/Stevens Intersection:** The intersection currently experiences frequent queuing and congestion issues, and serves as the primary access to Kaiser Hospital. The project will include lane and signal modifications that may include additional turn lanes, extensions or realignments.

**Boyer Drive Extension:** Design is underway on an extension of Boyer Drive from 82<sup>nd</sup> Avenue to Fuller Road in order to provide improved east-west connections in the area. The intersection at Fuller/King will also be modified to address safety issues as part of this project.

**Otty Street Realignment:** Currently, the intersection of Otty at 82<sup>nd</sup> Avenue is offset, creating safety and circulation issues. Design is underway that will realign Otty west of 82<sup>nd</sup> to the existing intersection of Otty to the east of 82<sup>nd</sup>.

**Public Partnerships:** This project will focus on implementing remaining goals of the Clackamas Town Center Plan and will be completed in partnership with other public entities in the Clackamas Regional Center Area.

**Disposition and Development Agreements:** The Agency owns a number of properties throughout the Town Center area that were primarily acquired for right-of-way. The Agency continues to actively market these sites for development.

### ***CLACKAMAS INDUSTRIAL AREA (CIA)***

**Adding Back:** As in the Clackamas Town Center Area, in the Clackamas Industrial Area the Agency remains focused on the needs of our overlapping taxing partners. In 2001, when most of the projects in the area had been completed, a major amendment reduced the total area of the district by 50 percent and allowed property with an assessed value of \$253 million to be added to the general tax rolls. In 2006, the Agency terminated its tax levy in the area and by doing so added \$323 million of additional assessed value to the general rolls. The Agency's focus on removing blighting influences that limited the local community created an environment for private investment and increased assessed value. In return, this additional assessed value has provided a significant increase in operating revenue for service providers in the area to continue to meet the needs of the community.

**Sunrise Mainline Construction:** With the passing of House Bill 2001 by the Oregon Legislature in 2009, construction funding became available for the early phases of the Sunrise Project, also known as the Sunrise Mainline Project. Over the past decade the Agency has been instrumental in moving this project from concept to construction. Through advanced right-of-way acquisition, the Agency placed the first building blocks to realize construction of a regional asset of this nature. Over the next year, the Agency will continue to coordinate with the Oregon Department of Transportation (ODOT) during construction and conveyance of real property assets to ODOT for right-of-way purposes.

**Clackamas Industrial Area Opportunity Site:** The Agency has been actively marketing a 70-acre industrial site in the Capps Road area south of Highway 212. The Agency is targeting sustainable industries that will provide family wage jobs and increase the tax base in the area. A master plan for the site was completed in fiscal year 2010-11 and the site received certification from the State of Oregon that it is "shovel-ready" to support industrial development. The Agency is currently constructing an extension of SE 120<sup>th</sup> Avenue, partly funded by a \$500,000 Immediate Opportunity Grant from ODOT, to provide access to the site.

## ***NORTH CLACKAMAS REVITALIZATION AREA (NCRA)***

**Street Improvements:** The Agency held several open houses last fiscal year to receive input from NCRA residents to help establish priorities for street improvement projects. Discussions have included projects to improve streets by repairing the road base, repaving, installing sidewalks and bicycle lanes, adding safety and storm water facilities, and landscaping. Several high priority projects were pinpointed to be carried out in the near term:

**70<sup>th</sup> Avenue:** This project was a high priority project identified by the community outreach effort. The project included repairing the road base, repaving, and installation of sidewalks, safety facilities, and storm-water facilities. The project began construction in April 2015 and was completed in August 2015.

**Bell Avenue Improvements:** Previously bicycle lanes and sidewalks were only available on a portion of Bell Avenue. This project will provide complete sidewalks and bicycle lanes the entire length of Bell between SE King Road and Johnson Creek. Local drainage improvements will also be part of the project. Phase I of the project was completed earlier this year. Phase 2 is in design and will be completed in 2016.

**Sanitary Sewers:** Annexation of the portions of the NCRA without sewer service into Clackamas County Service District No.1 – the first step toward providing sanitary sewer service to all residents in this community was approved in 2008. Design for the sewer system began in fall 2008, construction began in fall 2009, and all three phases of construction were completed by fall 2012. The Agency supported these efforts by providing capital funding in the amount of \$2,200 per eligible property to residents to help offset the cost of connecting to sewer, and providing an additional contribution toward sewer construction costs to reduce assessments by \$1,250 per eligible property. The Agency also implemented a grant program in 2013 to assist eligible residents in the area by paying the principal on their annual sewer assessment fees. The program will be run on an annual basis and will continue through the 20-year assessment installment payment period.

**Housing Assistance:** Housing rehabilitation and down payment assistance loan programs have been established. The first owner-occupied rehabilitation loan was awarded and completed in 2008. A total of thirteen home buyer down-payment assistance loans, twenty owner occupied rehabilitation loans, and one rental rehabilitation loan are issued as of yearend.

## ***GOVERNMENT CAMP VILLAGE REVITALIZATION AREA***

**Adding Back:** As in the Clackamas Town Center Area and Clackamas Industrial Area, the Agency was proactive in terminating the district and adding value to the tax rolls. In 2009, the Government Camp levy was terminated, which added approximately \$136 million to the tax rolls.

To the Citizens of Clackamas County  
November 25, 2015

**Fire Safety Improvements:** The Agency is partnering with the Hoodland Fire District to complete a remodel of the Fire Station in Government Camp. The Agency provided funds for design and construction. The Fire District will manage all aspects of the project. Construction is anticipated in 2015/16.

### ***Awards and Acknowledgements***

For the 21<sup>st</sup> year in a row, the Government Finance Officers Association of the United States and Canada (GFOA) awarded its prestigious Certificate of Achievement for Excellence in Financial Reporting to the Clackamas County Development Agency for its Comprehensive Annual Financial Report for the fiscal year ending June 30, 2014. In order to receive this award, a government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the assistance of the staff of the Clackamas County Department of Finance. Each member of the Finance Department staff has our sincere appreciation for the contributions made in the preparation of this report.

Grateful acknowledgment is also made to the Board of County Commissioners and the County Administrator, whose leadership and support made the preparation of this report possible.

Sincerely,

CLACKAMAS COUNTY DEVELOPMENT AGENCY



Dan Johnson  
Manager



Marc S. Gonzales  
Clackamas County Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Clackamas County  
Development Agency, Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

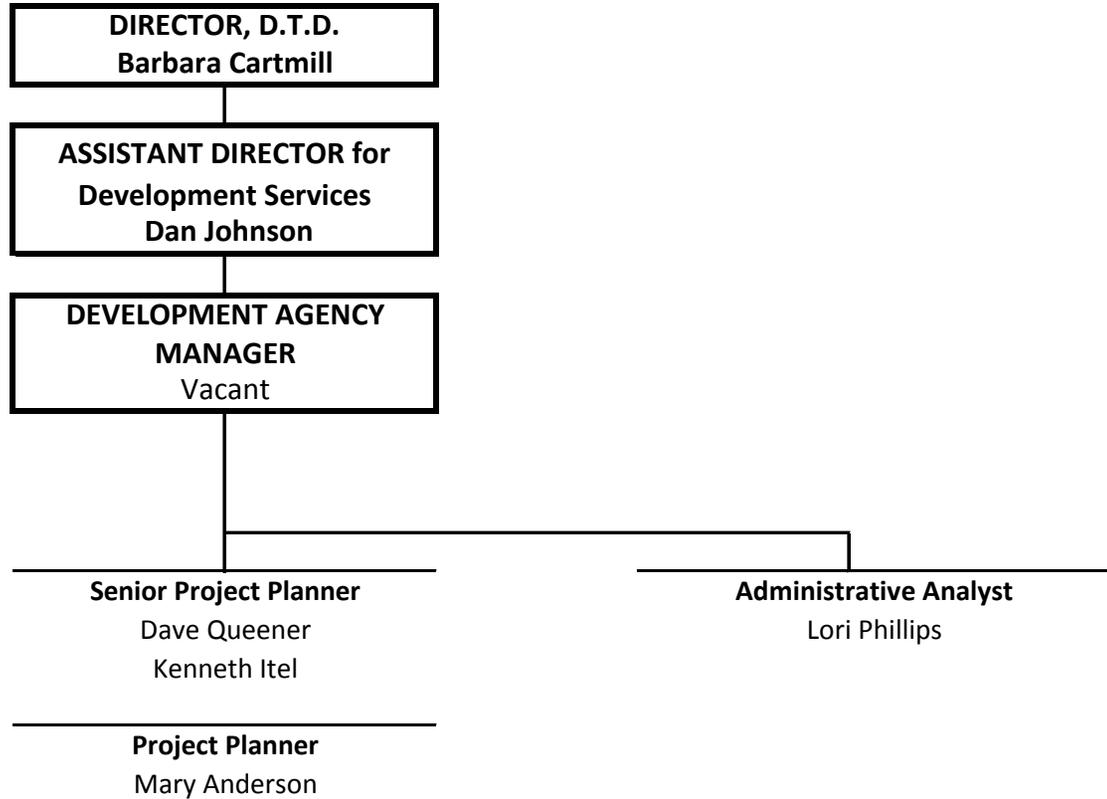
**June 30, 2014**

Executive Director/CEO

**Department of Transportation & Development  
Development Agency  
FY 2014-2015**

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**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(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, 2015**

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

**ADMINISTRATIVE OFFICES**

Department of Transportation and Development  
Clackamas County, Oregon  
150 Beaver Creek Road  
Oregon City, Oregon 97045

**LEGAL COUNSEL AND REGISTERED AGENT**

Stephen Madkour  
2051 Kaen Road  
Oregon City, Oregon

**FINANCIAL SECTION**

**REPORT OF INDEPENDENT AUDITORS**

## REPORT OF INDEPENDENT AUDITORS

Board of County Commissioners of  
Clackamas County, Oregon, as Governing Body of  
Clackamas County Development Agency  
Oregon City, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Clackamas County Development Agency (the Agency), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## MOSS ADAMS<sub>LLP</sub>

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The individual fund schedules and schedule of property tax transactions are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**MOSS ADAMS<sub>LLP</sub>****Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 25, 2015, on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Eugene, Oregon  
November 25, 2015

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

This discussion and analysis of Clackamas County Development Agency offers readers a narrative overview of financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and the notes to the basic financial statements.

**FINANCIAL HIGHLIGHTS**

- Assets of the Agency exceeded liabilities at the close of the fiscal year by \$120,495,575. Of this amount, \$57,580,491 is available to meet the Agency's ongoing obligations. The remainder is invested in capital assets.
- Overall, the Agency reported a decrease in net position of \$6,185,938, or 4.9%, for the year. General revenues for the year were \$4,431,324, an increase of 212%, due to an increase in the property taxes and miscellaneous revenues. Public ways and facilities reports \$10,399,958 as program-specific expenses in excess of direct program revenues.
- The governmental funds reported a combined ending fund balance of \$62,348,008. The ending fund balance also includes a decrease from operations of \$8,141,716, which is primarily due to the Agency working on projects that were budgeted for and using the existing fund balance since they have terminated three of four tax levies.
- Total assets entity-wide decreased \$5,602,470, or 4.23%, over the prior year. The net decrease is due primarily to the spending of cash on projects.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities provide government-wide information for the Agency. These statements include all assets and liabilities of the Agency using the accrual basis of accounting, which is similar to the accounting methodology used by private sector entities. Current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report agency-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 Agency resources.

Following the government-wide financial statements are governmental fund financial statements. The statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. All funds are Major funds and are reported individually. A reconciliation of the fund financial statements to the agency-wide statements explains the differences in the two methods of reporting.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position of the Agency decreased 4.9%, from the prior year due to increased spending on projects for the urban renewal areas. Decreases arise from the excess of expenses over revenues in the Statement of Activities and flows to the Statement of Net Position. This decrease in net position is directly related to a slow-down in development as planned projects near completion and the termination of three of four tax levies.

**Statement of Net Position**

A condensed version of the Statement of Net Position for fiscal years ended June 30, 2015 and 2014 follows:

	2015	2014
<b>Assets:</b>		
Current assets	\$ 54,217,528	\$ 60,915,682
Land held for sale	9,756,958	10,271,338
Capital assets	62,915,084	61,305,020
<b>Total assets</b>	<b>126,889,570</b>	<b>132,492,040</b>
<b>Liabilities:</b>		
Current liabilities	1,978,995	1,050,527
Liabilities due after one year	4,415,000	4,760,000
<b>Total liabilities</b>	<b>6,393,995</b>	<b>5,810,527</b>
<b>Net position:</b>		
Net investment in capital assets	62,915,084	61,305,020
Restricted for public ways and facilities	57,580,491	65,376,493
<b>Total net position</b>	<b>\$ 120,495,575</b>	<b>\$ 126,681,513</b>

Current assets decreased \$6,698,154, or 11%, during the year, due primarily to a decrease in cash of \$6,671,847, or 11% over the prior year. The total change in net position is discussed in the financial highlights section.

**Statement of Activities**

Total general revenues increased \$3,010,802, or 212%, during fiscal year 2015, primarily due to the increase in property taxes charges for services and miscellaneous revenues. During the year, program expenses for public ways and facilities increased by \$6,719,634, or 139%. The increase can be attributed to activity in capital projects for each area. Overall, the increase in program expenses along with a lesser increase in total revenues contributed to the decrease in net position of \$6,185,938, or 4.9%, during fiscal year 2015.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

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

**Statement of Activities (Continued)**

A schedule follows showing revenues and expenses by function and activity:

	2015	2014
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 1,139,716	\$ 693,417
Operating grants and contributions	23,812	109,002
	1,163,528	802,419
General revenues:		
Property taxes levied for debt service	1,942,513	867,290
Earnings on investments	269,025	228,499
Miscellaneous	2,219,786	324,733
	4,431,324	1,420,522
<b>Total revenues</b>	<b>5,594,852</b>	<b>2,222,941</b>
<b>Expenses:</b>		
Public ways and facilities	11,563,486	4,843,852
Interest and fiscal charges	217,304	231,467
	11,780,790	5,075,319
Change in net position	(6,185,938)	(2,852,378)
<b>Net position, beginning of year</b>	126,681,513	129,533,891
<b>Net position, end of year</b>	<b>\$ 120,495,575</b>	<b>\$ 126,681,513</b>

**FUND ANALYSIS**

The Statement of Revenues, Expenditures and Changes in Fund Balance is presented for the governmental funds. Budget to actual schedules for the governmental funds are included in the supplemental information. This section will discuss fund balance changes.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**FUND ANALYSIS (Continued)**

As of the end of the current fiscal year, the Agency's combined ending fund balance is \$62,348,008. Approximately 84.4% of this total (or \$52,591,050) constitutes restricted fund balance, which is available for all approved projects within each of the Agency's four urban renewal districts. The remaining 15.6% of total fund balance (or \$9,756,958) is reported as non-spendable fund balance. This represents items not spendable in form, such as property held for sale (also known as redevelopment properties).

The Clackamas Town Center Development Area Fund balance decreased by \$787,754, or 4.6%, mainly due to ongoing capital projects expenditures during this fiscal year. However, the Fund has sufficient operating reserves remaining in fund balance.

The Clackamas Industrial Development Area Fund reports an increase in fund balance of \$136,561, or 1.4%, mainly due to sales of land parcels during this fiscal year. The Fund has sufficient operating reserves remaining in fund balance.

The North Clackamas Revitalization Fund balance decreased by \$4,767, or 0.14%, mainly due to the fact that there was a transfer into the North Clackamas Revitalization Area Fund of \$2,035,236 from the North Clackamas Revitalization Area Tax Increment Fund this fiscal year. The transfer pays for various projects identified in the 2014-15 budget document for the North Clackamas Revitalization Area.

The Government Camp Development Area Fund balance decreased by \$687,855, or 70.2%, mainly due to program expenses for fire safety improvements and façade improvement incentives. This fund is considered a major fund for the 2014-15 fiscal year. The fund is expected to be terminated during the 2015-16 fiscal year.

The Clackamas Town Center Tax Increment Fund balance decreased by \$6,149,471, or 16.1%, mainly due to the fact that there was a transfer into the Clackamas Town Center Development Area Fund of \$5,000,000 and interest was the only income collected during this fiscal year. The transfer of funds was made for identified priority projects made using the final recommended work program by the Clackamas Regional Center Committee. The fund has sufficient operating reserves remaining in fund balance.

The North Clackamas Revitalization Area Tax Increment Fund reports a decrease in fund balance of \$648,430, or 67.9%, mainly due to the fact that there was a transfer out of the North Clackamas Revitalization Fund in the amount of \$2,035,236, this fiscal year.

**CAPITAL ASSETS**

As of June 30, 2015, the Agency had \$62,915,084 in capital assets net of depreciation. Net capital assets increased by \$1,610,064 due to the addition of assets and depreciation as seen in the notes to the basic financial statements. Please see Notes 1 and 7 to the notes to the basic financial statements for the Agency's capital asset policy and detailed capital asset activity.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
YEAR ENDED JUNE 30, 2015**

**DEBT ADMINISTRATION**

In 2012, new Urban Renewal Bonds were issued to finance sewer development projects in the North Clackamas Revitalization Area. Principal and interest are payable from the tax increment revenues generated in the North Clackamas Revitalization Area. In 2007, Urban Renewal Bonds were issued to fund the Agency's share of the Interstate 205 Light Rail project being built by regional government Tri-Met. The payment of principal and interest is payable from tax increment revenues generated in the Clackamas Town Center urban renewal area. The total outstanding balance at June 30, 2015 for bonds payable was \$4,760,000. Please see Note 8 in the notes to basic financial statements for more detail.

**ECONOMIC FACTORS**

The Clackamas County Development Agency is the urban renewal agency for Clackamas County responsible for implementing the County's Urban Renewal program. The Agency has four urban renewal tax increment financing (TIF) districts: Clackamas Town Center Development Area (CTC), Clackamas Industrial Development Area (CIA), Government Camp Development Area (GC) and the North Clackamas Revitalization Area (NCRA). Each TIF district levies a property tax on the new growth (or incremental assessed value) within the District since its formation. The levy is comprised of the total consolidated tax rate of all overlapping taxing districts times the incremental assessed value in thousands. Tax revenues are pledged to developing and completing projects contained in each area plan. Projects are designed to remove or resolve the influences that inhibit or slow growth in the plan area. For those levies that have terminated (CTC in 2013, GC in 2009, and CIA in 2006), work continues with the remaining funds to complete the projects already in process for each area plan. Although there are funds available for previously planned projects, no action will be taken unless the Agency receives concurrence from the Agency's Board to advance these projects.

In December 2001, the Oregon Supreme Court issued its *Shilo v. Multnomah County et. al.* decision. The effect of the decision was that all revenues received by TIF programs are considered "Other Government" revenues regardless of levy origin and are subject to compression testing under Measure 5 at \$10 per \$1,000 of taxable assessed valuation. Impacts vary from one jurisdiction to the next depending on the local government tax rate and amount of TIF collections. To date, there is no material compression loss to Agency TIF revenues due to the *Shilo* decision.

Future revenues will be derived from existing incremental assessed value and growth in each plan area. The Agency is responsible for developing infrastructure projects which will influence or lead growth. Hence, future revenues should increase based on assessed value growth (presuming tax rates are not decreased or the property tax system modified) for those districts which still actively levy.

**FINANCIAL CONTACT**

The financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Agency's finances and to demonstrate accountability. If you have any questions about the report or need additional financial information, please contact the Clackamas County Department of Finance at 2051 Kaen Road, Oregon City, Oregon 97045-4035.

**BASIC FINANCIAL STATEMENTS**

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash and investments	\$ 54,006,909
Property taxes receivable	101,123
Grants receivable	6,036
Accounts receivable	26,412
Loans receivable	77,048
Property held for sale	9,756,958
Capital assets:	
Capital assets not being depreciated	36,953,321
Capital assets being depreciated, net	<u>25,961,763</u>
<b>TOTAL ASSETS</b>	<u>126,889,570</u>
<b>LIABILITIES:</b>	
Accounts payable	1,051,436
Accrued interest payable	95,993
Due to Clackamas County	467,280
Deposits	19,286
Noncurrent liabilities	
Bonds payable within one year	345,000
Bonds payable after one year	<u>4,415,000</u>
<b>TOTAL LIABILITIES</b>	<u>6,393,995</u>
<b>NET POSITION:</b>	
Net investment in capital assets	62,915,084
Restricted for public ways and facilities	<u>57,580,491</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 120,495,575</u></u>

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

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>ACTIVITIES</b>	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Public ways and facilities	\$ 11,563,486	\$ 1,139,716	\$ 23,812	\$ (10,399,958)
Interest and fiscal charges	217,304	-	-	(217,304)
<b>Total</b>	<u>\$ 11,780,790</u>	<u>\$ 1,139,716</u>	<u>\$ 23,812</u>	<u>(10,617,262)</u>
<b>GENERAL REVENUES:</b>				
Property taxes levied for debt service				1,942,513
Earnings on investments				269,025
Miscellaneous				<u>2,219,786</u>
<b>TOTAL GENERAL REVENUES</b>				<u>4,431,324</u>
<b>CHANGE IN NET POSITION</b>				(6,185,938)
<b>NET POSITION, July 1, 2014</b>				<u>126,681,513</u>
<b>NET POSITION, June 30, 2015</b>				<u>\$ 120,495,575</u>

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

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**

(A Component Unit of Clackamas County, Oregon)

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	Capital Projects Funds				Debt Service Funds		
	Clackamas Town Center Development Area Fund	Clackamas Industrial Development Area Fund	North Clackamas Revitalization Area Fund	Government Camp Development Area Fund	Clackamas Town Center Tax Increment Fund	North Clackamas Revitalization Area Tax Increment Fund	Total
<b>ASSETS:</b>							
Cash and investments	\$ 13,179,688	\$ 4,231,909	\$ 3,354,429	\$ 902,391	\$ 32,045,808	\$ 292,684	\$ 54,006,909
Property taxes receivable	-	-	-	-	-	101,123	101,123
Accounts receivable	20,374	4,238	1,800	-	-	-	26,412
Grants receivable	6,036	-	-	-	-	-	6,036
Notes receivable, net	-	-	77,048	-	-	-	77,048
Due from other funds	-	-	570,000	-	-	-	570,000
Property held for sale	3,867,169	5,889,789	-	-	-	-	9,756,958
<b>TOTAL ASSETS</b>	<b>\$ 17,073,267</b>	<b>\$ 10,125,936</b>	<b>\$ 4,003,277</b>	<b>\$ 902,391</b>	<b>\$ 32,045,808</b>	<b>\$ 393,807</b>	<b>\$ 64,544,486</b>
<b>LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ 641,934	\$ 13,550	\$ 374,258	\$ 21,694	\$ -	\$ -	\$ 1,051,436
Due to other funds	-	-	-	570,000	-	-	570,000
Due to Clackamas County	28,826	91,571	328,293	18,590	-	-	467,280
Deposits	7,500	11,786	-	-	-	-	19,286
<b>TOTAL LIABILITIES</b>	<b>678,260</b>	<b>116,907</b>	<b>702,551</b>	<b>610,284</b>	<b>-</b>	<b>-</b>	<b>2,108,002</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable revenue - property taxes	-	-	-	-	-	88,476	88,476
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,476</b>	<b>88,476</b>
<b>FUND BALANCES:</b>							
Nonspendable	3,867,169	5,889,789	-	-	-	-	9,756,958
Restricted	12,527,838	4,119,240	3,300,726	292,107	32,045,808	305,331	52,591,050
<b>TOTAL FUND BALANCES</b>	<b>16,395,007</b>	<b>10,009,029</b>	<b>3,300,726</b>	<b>292,107</b>	<b>32,045,808</b>	<b>305,331</b>	<b>62,348,008</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>	<b>\$ 17,073,267</b>	<b>\$ 10,125,936</b>	<b>\$ 4,003,277</b>	<b>\$ 902,391</b>	<b>\$ 32,045,808</b>	<b>\$ 393,807</b>	<b>\$ 64,544,486</b>

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

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2015**

<b>TOTAL FUND BALANCES</b>	<b>\$</b>	<b>62,348,008</b>
Total net position in the Statement of Net Position is different because:		
Capital assets, net of depreciation \$62,915,084, are not resources for GAAP purposes and therefore are not reported in the governmental funds.		62,915,084
Long-term liabilities, are not reported as governmental fund liabilities not payable in the current year are not reported as governmental fund liabilities.		
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expense when it is due. These non-governmental fund liabilities consist of:		
Accrued interest	\$ (95,993)	
Bonds payable	<u>(4,760,000)</u>	
		(4,855,993)
A portion of the Agency's property taxes are collected after year-end, but are not collected soon enough to be available as financial resources for the current year. The revenues related to these receivables are deferred and not reported in the governmental funds.		<u>88,476</u>
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b><u><u>120,495,575</u></u></b>

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

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Capital Projects Funds				Debt Service Funds		Total
	Clackamas Town Center Development Area Fund	Clackamas Industrial Development Area Fund	North Clackamas Revitalization Area Fund	Government Camp Development Area Fund	Clackamas Town Center Tax Increment Fund	North Clackamas Revitalization Area Tax Increment Fund	
<b>REVENUES:</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,933,455	\$ 1,933,455
Intergovernmental	23,812	-	-	-	-	-	23,812
Charges for services	602,654	537,062	-	-	-	-	1,139,716
Interest	61,674	19,941	15,365	4,205	160,529	7,311	269,025
Miscellaneous	1,174,038	995,865	49,883	-	-	-	2,219,786
<b>TOTAL REVENUES</b>	<b>1,862,178</b>	<b>1,552,868</b>	<b>65,248</b>	<b>4,205</b>	<b>160,529</b>	<b>1,940,766</b>	<b>5,585,794</b>
<b>EXPENDITURES:</b>							
Public ways and facilities:							
Materials and services	4,314,590	267,416	565,177	617,273	-	-	5,764,456
Expenditures for urban renewal	-	1,148,891	737,595	74,787	1,310,000	-	3,271,273
Capital outlay	3,335,342	-	802,479	-	-	-	4,137,821
Debt Service:							
Principal	-	-	-	-	-	330,000	330,000
Interest and fiscal charges	-	-	-	-	-	223,960	223,960
<b>TOTAL EXPENDITURES</b>	<b>7,649,932</b>	<b>1,416,307</b>	<b>2,105,251</b>	<b>692,060</b>	<b>1,310,000</b>	<b>553,960</b>	<b>13,727,510</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(5,787,754)</b>	<b>136,561</b>	<b>(2,040,003)</b>	<b>(687,855)</b>	<b>(1,149,471)</b>	<b>1,386,806</b>	<b>(8,141,716)</b>
<b>OTHER FINANCING SOURCES:</b>							
Transfers in	5,000,000	-	2,035,236	-	-	-	7,035,236
Transfers out	-	-	-	-	(5,000,000)	(2,035,236)	(7,035,236)
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<b>5,000,000</b>	<b>-</b>	<b>2,035,236</b>	<b>-</b>	<b>(5,000,000)</b>	<b>(2,035,236)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(787,754)</b>	<b>136,561</b>	<b>(4,767)</b>	<b>(687,855)</b>	<b>(6,149,471)</b>	<b>(648,430)</b>	<b>(8,141,716)</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>17,182,761</b>	<b>9,872,468</b>	<b>3,305,493</b>	<b>979,962</b>	<b>38,195,279</b>	<b>953,761</b>	<b>70,489,724</b>
<b>FUND BALANCE, June 30, 2015</b>	<b>\$ 16,395,007</b>	<b>\$ 10,009,029</b>	<b>\$ 3,300,726</b>	<b>\$ 292,107</b>	<b>\$ 32,045,808</b>	<b>\$ 305,331</b>	<b>\$ 62,348,008</b>

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

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

**NET CHANGE IN FUND BALANCES** \$ (8,141,716)

The change in net position reported in the Statement of Activities is different because:

Government funds report capital outlay as an expenditure. However, in the Statement of Activities the cost of those assets are capitalized. Their value is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation	\$ (1,835,751)	
Capital asset additions	4,137,821	
Loss on disposal of assets	<u>(692,006)</u>	
		1,610,064

Property taxes 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.

9,058

Long-term debt principal payments are recorded as expenditures in the governmental funds and issuance of long-term debt is recorded as an other financing source. In the Statement of Activities issuance of long-term debt reduces net assets and the payment of long-term debt principal increases net assets.

Payment of long-term debt principal		330,000
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Interest expense is accrued on long-term debt, whereas in the governmental fund, it is recorded as an interest expenditure when due.

6,656

**CHANGE IN NET POSITION** \$ (6,185,938)

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**NOTES TO BASIC FINANCIAL STATEMENTS**

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The Agency**

Clackamas County Development Agency (the Agency), a blended component unit of Clackamas County, Oregon (the County), was organized in 1977 under the provisions of ORS 457 as the urban renewal agency of the County. The Agency has no potential component units. As provided by ORS 457.035 the Clackamas County Board of Commissioners (the Board) is the governing body of the Agency. The Agency's purpose is to implement programs that provide for economically, socially and environmentally sound development and redevelopment to revitalize blighted areas; building the County's property tax base and creating jobs for the citizens of Clackamas County. The Agency's current activities include the Sunnyside Projects to reduce traffic congestion, the development of the Sunrise Corridor, the revitalization of Government Camp, and the planning for revitalization in North Clackamas. Personnel of the Clackamas County Finance Department provide fiscal and accounting functions. Since the County is financially accountable for and significantly influences the operations of the Agency, the Agency 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 Agency, including all of its financial activities. Governmental activities are financed primarily through property taxes and earnings on investments.

The Statement of Activities presents a comparison between direct expenses and program revenues for the Agency's program. The Agency does not allocate indirect expenses. Program revenues include grants and contributions that are restricted to meeting operational requirements. Revenues that are not classified as program revenues, including property taxes and earnings on investments 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 Agency's funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column. The Agency reports all funds as major funds. These funds account for the general administration of the Agency's urban renewal areas and for the acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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

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

**Fund Financial Statements (Continued)**

The Agency reports the following major funds:

Capital Project Funds:

- Clackamas Town Center Development Area Fund - This fund accounts for project related capital outlay and the Public Ways and Facilities Program in the Clackamas Town Center Urban Renewal District. Activities include road network upgrades and capacity improvements.
- Clackamas Industrial Development Area Fund – This fund accounts for project related capital outlay and the Public Ways and Facilities Program in the Clackamas Industrial Area Urban Renewal District.
- North Clackamas Revitalization Area Fund – This fund accounts for project related capital outlay and the Public Ways and Facilities in the North Clackamas Area Urban Renewal District.
- Government Camp Development Area Fund – Accounts for project related capital outlay and the Public Ways and Facilities Program in the Government Camp Area Urban Renewal District.

Debt Service Funds:

- Clackamas Town Center Tax Increment Fund – This fund accounts for property tax increment revenues for the Clackamas Town Center Urban Renewal District. When debt is outstanding this fund records the payment of principal and interest on long-term indebtedness for the District.
- North Clackamas Revitalization Area Tax Increment Fund – This fund accounts for property tax increment revenues for the North Clackamas Revitalization Area. When debt is outstanding this fund records the payment of principal and interest on long-term indebtedness for the District.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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

**Basis of Presentation, Measurement Focus, and Basis of Accounting**

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

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.

The District funds programs by a combination of restricted resources such as grant agreements and property taxes, as well as unrestricted resources (i.e. general revenues). Thus, when program expenses are incurred, there are both restricted and unrestricted Net Position available to finance the program. It is the District's policy to first apply restricted resources to such programs and then unrestricted resources.

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

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Agency.

**Fund Balances and Net Position**

The government-wide *Statement of Net Position*, is segregated into restricted and unrestricted balances. Restrictions are limitations on how the net position may be used. Restrictions may be placed on net position by an external party that provided the resources, by enabling legislation or by the nature of the asset. The *Net investment in capital assets* component of net position represents total capital assets less accumulated depreciation less debt directly related to capital assets. This amount is reported on the Statement of Net Position.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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

**Fund Balances and Net Position (Continued)**

Certain revenues derived from specific taxes or other earmarked revenue sources are considered restricted net position. Such revenues include dedicated property taxes, intergovernmental grants, and charges for services which are legally restricted to finance particular functions or activities. In addition, proceeds from general obligation bonds, revenue bonds, and full faith and credit bonds are restricted to support the specific purpose for which the debt was issued. Net position in these resources is reported as restricted on the *Statement of Net Position* and is recorded in separate funds supporting the specific function or operation.

In the financial statements, assets 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 Agency 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 land held for resale or interfund loans/receivables.

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

Fund balance is reported as *Committed* when the Board of County Commissioners passes a resolution, the formal action of the Agency'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.

Fund balance is reported as *Assigned* by County policy when the County Administrator and Finance Director or designee assign portions of revenue sources or ending fund balance which are not determined to be non-spendable, restricted or committed by formal written notice. Authority is granted to the individuals by the Board of County Commissioners and such authority may only be established, modified or rescinded by the Board.

When both restricted and unrestricted fund balance is available for use, the purpose for which that is restricted, it is the Agency's policy to use restricted fund balance first, then unrestricted fund balance as needed. When unrestricted fund balance is spent, the Agency will consider that committed amounts will be reduced first, followed by assigned amounts.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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

**Fund Balances and Net Position (Continued)**

Fund balances by classification for the year ended June 30, 2015 were as follows:

	Clackamas Town Center Development Area Fund	Clackamas Industrial Development Area Fund	North Clackamas Revitalization Area Fund	Government Camp Development Area Fund	Clackamas Town Center Tax Increment Fund	North Clackamas Revitalization Area Tax Increment Fund	Total
Nonspendable:							
Property held for sale	\$ 3,867,169	\$ 5,889,789	\$ -	\$ -	\$ -	\$ -	\$ 9,756,958
Restricted for:							
Public ways and facilities	12,527,838	4,119,240	3,300,726	292,107	-	-	20,239,911
Debt service reserve	-	-	-	-	32,045,808	305,331	32,351,139
Total fund balances	<u>\$ 16,395,007</u>	<u>\$ 10,009,029</u>	<u>\$ 3,300,726</u>	<u>\$ 292,107</u>	<u>\$ 32,045,808</u>	<u>\$ 305,331</u>	<u>\$ 62,348,008</u>

**Use of Estimates**

The preparation of the 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 disclosure 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 Agency 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 State of Oregon Treasurer's Local Government Investment Pool. Financial information required by Governmental Accounting Standards Board Statements (GASB) No. 3, No. 31, and No. 40 regarding the accounting and financial reporting for the Agency's pooled cash and investments, held by the County Treasurer, has been disclosed in the County's Comprehensive Annual Financial Report for the year ended June 30, 2015.

**Property Tax Receivables**

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 are considered delinquent on May 15. All property taxes receivable are due from property owners within the Agency.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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

**Property Held For Sale**

Property held for sale is acquired in connection with urban development projects and is held for resale and also consists of real property acquired for the purpose of sale to other governmental units. All property held for sale is valued at the lower of cost or market.

**Capital Assets**

Purchased or constructed capital assets, including infrastructure (road network), right of ways and easements are reported at cost or estimated historical cost in the government-wide financial statements. The Agency defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year.

Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for furniture and equipment, real property acquisitions, improvements and infrastructure are recorded as capital outlay. Donated assets are recorded at their fair market value at the date of donation. Maintenance and repairs of a routine nature are charged to expenses/expenditures as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20 to 50 years
Road Network	10 to 20 years
Easements	stipulated life of the easements

**Deferred Outflows/ Inflows of Resources**

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

In addition to liabilities, the balance sheet reports a separate section for *deferred inflows of resources*, which represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue – property taxes, are a portion of the District’s property taxes that are collected after year-end and meet the recognition in future periods requirement of deferred inflows of resources.

**Miscellaneous Revenue**

The Agency owns certain properties awaiting development that have been leased to tenants and for which the Agency receives rent, or sells to developers. This rental and sale income appears in the financial statements as miscellaneous revenue in the Clackamas Town Center and Clackamas Industrial Development Area Funds.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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

**Pension Plan**

The Agency's personnel are employees of the County. Substantially all of the County's employees are participants in the Oregon Public Employees Retirement Fund (OPERF), a state-wide agent multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System. No pension costs are attributable to the Agency. The Agency is paying for contracted services from the County that includes the amount to cover employee benefits. Since Agency personnel are employees of the County, the Agency has no obligation for related personnel expense accruals not currently reimbursed through the contracted rate.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

A budget is prepared and legally adopted for all funds generally on the modified accrual basis of accounting, except for property taxes and the sale of land held for resale, which are recognized 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. Appropriations at the principal object level - materials and services (including contractual payments), capital outlay, debt service, special payments, operating contingency, reserve for future expenditures, 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
- Property held for sale is not recognized on a budgetary basis

Management may make transfers of appropriations within object levels. However, transfers of appropriations between object levels require the approval of the governing body. 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 the levels of control and require approval by the Board. The Board adopted four supplemental budgets during the year. Appropriations lapse as of year-end.

**Excess of Expenditures over Appropriations**

There were no excess expenditures over appropriations for the fiscal year.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**3. RISK MANAGEMENT**

The Agency is exposed to various risks of loss related to errors and omissions; vehicles; damage to and destruction of assets; and bodily injury for which the Agency carries commercial insurance. The Agency 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 Agency are contracted from 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 medical and dental benefits, workers' compensation and general liability claims. General liability claims are limited by state statute at \$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.

**4. CASH AND INVESTMENTS**

Cash and investments are comprised of the following:

Cash and cash equivalents with the County Treasurer	\$	2,025,373
Investments with the County Treasurer		40,160,440
State of Oregon Treasurer's Local Government Investment Pool		11,821,096
	\$	54,006,909

Investments with the County Treasurer represent the Agency'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. Fair value is determined by the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. State statutes authorize the Agency 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, 2015 Comprehensive Annual Financial Report of Clackamas County for compliance with these statutes.

Investments in the State of Oregon Treasurer's Local Government Investment Pool (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.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**4. CASH AND INVESTMENTS (Continued)**

In seeking to best serve local government in Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. The Oregon Short-Term Fund financial statements and its portfolio rules can be obtained at [www.ost.state.or.us](http://www.ost.state.or.us).

The LGIP is not rated by any national rating service. The LGIP is stated at fair value, which approximates cost. Fair value is the same as the Agency's value in the pool shares.

**5. NOTES AND LOANS RECEIVABLE**

Notes and loans receivable at June 30, 2015, including the applicable allowance for uncollectible accounts are as follows:

	Gross Notes and Loans Receivable	Uncollectible Allowance Rate	Uncollectible Allowance	Notes and Loans Receivable, net
Governmental Activities:				
Owner-Occupied rehab loans receivable	\$ 379,308	92%	\$ 348,963	\$ 30,345
Homebuyer Assistance Program loans receivable	147,721	85%	126,018	21,703
Rental rehab loans receivable	25,000	0%	-	25,000
Total notes and loans receivable	<u>\$ 552,029</u>		<u>\$ 474,981</u>	<u>\$ 77,048</u>

Loans receivable, net of an allowance, represent uncollected amounts of loans to qualified borrowers for rehabilitation and restoration of single and multi-family residences which are collateralized by real property. The loan loss allowance is comprised of historical evidence of past uncollectible amounts based upon each program offered.

**6. PROPERTY HELD FOR SALE**

Property held for sale activity for the year ending June 30, 2015, is as follows:

	June 30, 2014	Increases	Decreases	June 30, 2015
Clackamas Town Center Development Area Fund	\$ 4,381,549	\$ -	\$ (514,380)	\$ 3,867,169
Clackamas Industrial Development Area Fund	5,889,789	-	-	5,889,789
	<u>\$ 10,271,338</u>	<u>\$ -</u>	<u>\$ (514,380)</u>	<u>\$ 9,756,958</u>

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Capital assets not being depreciated:					
Land & right of way	\$ 32,856,189	\$ -	\$ (692,006)	\$ -	\$ 32,164,183
Construction in progress	847,326	4,137,821	-	(196,009)	4,789,138
Total capital assets not being depreciated	<u>33,703,515</u>	<u>4,137,821</u>	<u>(692,006)</u>	<u>(196,009)</u>	<u>36,953,321</u>
Capital assets being depreciated and amortized:					
Building & Improvements	27,960,554	-	-	196,009	28,156,563
Road network	8,012,210	-	-	-	8,012,210
Easements	592,633	-	-	-	592,633
Total capital assets being depreciated and amortized	<u>36,565,397</u>	<u>-</u>	<u>-</u>	<u>196,009</u>	<u>36,761,406</u>
Less accumulated depreciation and amortization for:					
Buildings & Improvements	(8,310,637)	(1,406,360)	-	-	(9,716,997)
Road network	(472,962)	(400,612)	-	-	(873,574)
Easements	(180,293)	(28,779)	-	-	(209,072)
Total accumulated depreciation and amortization	<u>(8,963,892)</u>	<u>(1,835,751)</u>	<u>-</u>	<u>-</u>	<u>(10,799,643)</u>
Total capital assets being depreciated and amortized, net	<u>27,601,505</u>	<u>(1,835,751)</u>	<u>-</u>	<u>196,009</u>	<u>25,961,763</u>
Total capital assets, net	<u>\$ 61,305,020</u>	<u>\$ 2,302,070</u>	<u>\$ (692,006)</u>	<u>\$ -</u>	<u>\$ 62,915,084</u>

Depreciation expense of \$1,835,751 was charged to public ways and facilities.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**8. LONG-TERM DEBT**

**Bonds Payable**

In 2011, the Agency issued \$6,000,000 of urban renewal bonds with an interest rate of 4.40% to finance sewers from the main lines through the trunk lines, laterals, connectors, and on to the hookups to the homes, businesses, and other establishments, including the related road restoration and repaving, and road projects.

Bonds payable transactions for the year are as follows:

	Original Amount	Outstanding June 30, 2014	Increases	Decreases	Outstanding June 30, 2015
Urban Renewal Bonds, Series 2011, Interest 4.40%	\$ 6,000,000	\$ 5,090,000	\$ -	\$ (330,000)	\$ 4,760,000
	<u>\$ 6,000,000</u>	<u>\$ 5,090,000</u>	<u>\$ -</u>	<u>\$ (330,000)</u>	4,760,000
Current portion					(345,000)
Non-current portion					<u>\$ 4,415,000</u>

Future maturities of bond principal and interest at June 30, 2015, are as follows:

Year Ending June 30,	Urban Renewal Bonds Series 2011	
	Principal	Interest
2016	345,000	209,440
2017	360,000	194,260
2018	375,000	178,420
2019	395,000	161,920
2020	410,000	144,540
2021-2025	2,345,000	434,940
2026-2030	530,000	23,320
	<u>4,760,000</u>	<u>\$ 1,346,840</u>
Less current portion	345,000	
Non-current portion	<u>\$ 4,415,000</u>	

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**9. DUE TO/FROM OTHER FUNDS AND TRANSFERS TO/FROM OTHER FUNDS**

Interfund due to/from balances at June 30, 2015 are comprised of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
North Clackamas Revitalization Area Fund	\$ 570,000	\$ -
Government Camp Development Area Fund	-	570,000
Total Due From / To	<u>\$ 570,000</u>	<u>\$ 570,000</u>

Interfund balances are due to timing differences. Cash is owed to the North Clackamas Revitalization Fund for an expenditure for payments to other governments at June 30, 2015. This is a temporary, interest free loan, with a due date of September 30, 2015.

Transfers to/from other funds consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Clackamas Town Center Development Area Fund	\$ 5,000,000	\$ -
Clackamas Town Center Tax Increment Fund	-	5,000,000
North Clackamas Revitalization Area Fund	2,035,236	-
North Clackamas Revitalization Area Tax Increment Fund	-	2,035,236
Total Transfers	<u>\$ 7,035,236</u>	<u>\$ 7,035,236</u>

Transfers are routinely made for the following purposes:

- To move revenues from which statute or budget requires them to be collected to the fund from which statute or budget requires them to be expended;
- To move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due;
- To move revenues collected from restricted sources to other funds to pay for direct expenses.

During fiscal year 2015, there were no non-routine transfers made.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**10. RELATED-PARTY TRANSACTIONS**

Amounts totaling \$825,193 for labor and fringe benefit costs, administrative costs for accounting, occupancy, administration, and other professional services, and property taxes were paid to various County departments. At June 30, 2015, the Agency owed the County \$467,280 for such services. The Agency received \$235,271 in fees charged to various County departments and component units for services. Internal County department allocate their expenses to all county departments including the Agency. Labor and fringe benefit costs for the Agency are based on actual costs and all other administrative costs are based on historical actual costs and allocated based on a "cost driver."

**11. COMMITMENTS**

The Agency has commitments under various construction contracts for approximately \$3,801,214 at June 30, 2015.

**12. SUBSEQUENT EVENTS**

During fiscal year 2014/15, the Board of County Commissioners transferred the Hawthorne Park property from the Agency to North Clackamas Parks and Recreation District in the amount of \$358,000. The deed was recorded on October 7, 2015.

The interfund balance due to North Clackamas Revitalization Fund was repaid in full on September 24, 2015.

**SUPPLEMENTARY INFORMATION**

## **MAJOR FUND BUDGETARY SCHEDULES**

### **Capital Projects Funds**

**Clackamas Town Center Development Area Fund** – This fund accounts for the acquisition and rehabilitation of blighted and deteriorated areas within the designated Clackamas Town Center urban renewal area. The primary funding sources are intergovernmental revenues, interest on investments, proceeds from the sales of property, and transfers of revenues from other funds.

**Clackamas Industrial Development Area Fund** – This fund accounts for the acquisition and rehabilitation of blighted and deteriorated areas within the designated Clackamas Industrial urban renewal area. The primary funding sources are intergovernmental revenues, interest on investments, proceeds from the sales of property, and transfers of revenues from other funds.

**North Clackamas Revitalization Area Fund** – This fund accounts for the acquisition and rehabilitation of blighted and deteriorated areas within the designated North Clackamas urban renewal area. The primary funding sources are intergovernmental revenues, interest on investments, proceeds from the sales of property, and transfers of revenues from other funds.

**Government Camp Development Area Fund** – This fund accounts for the acquisition and rehabilitation of blighted and deteriorated areas within the designated Government Camp urban renewal area. The primary funding sources are transfers of revenues from other funds and interest on investments.

### **Debt Service Funds**

**Clackamas Town Center Tax Increment Fund** – This fund accounts for the payment of principal and interest on long-term indebtedness related to the Clackamas Town Center urban renewal area. The principal source of revenue is property taxes.

**North Clackamas Revitalization Area Tax Increment Fund** – This fund accounts for the payment of principal and interest on long-term indebtedness related to the North Clackamas urban renewal area. The principal source of revenue is property taxes and interest on investments.

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**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
CLACKAMAS TOWN CENTER DEVELOPMENT AREA FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 23,812	\$ 13,812
Charges for services	110,000	110,000	602,654	492,654
Interest	327,000	327,000	61,674	(265,326)
Miscellaneous	1,400,000	1,400,000	1,688,418	288,418
<b>TOTAL REVENUES</b>	<b>1,847,000</b>	<b>1,847,000</b>	<b>2,376,558</b>	<b>529,558</b>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	8,964,123	8,964,123	4,437,106	4,527,017
Capital outlay	10,475,000	10,475,000	3,212,828	7,262,172
Contingency	1,613,765	1,613,765	-	1,613,765
<b>TOTAL EXPENDITURES</b>	<b>21,052,888</b>	<b>21,052,888</b>	<b>7,649,934</b>	<b>13,402,954</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(19,205,888)</b>	<b>(19,205,888)</b>	<b>(5,273,376)</b>	<b>13,932,512</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,500,000	7,500,000	5,000,000	(2,500,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>5,000,000</b>	<b>(2,500,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(11,705,888)</b>	<b>(11,705,888)</b>	<b>(273,376)</b>	<b>11,432,512</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>12,205,888</b>	<b>12,205,888</b>	<b>12,801,214</b>	<b>595,326</b>
<b>FUND BALANCE, June 30, 2015</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>12,527,838</b>	<b>\$ 12,027,838</b>
<b>ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Property held for sale			3,867,169	
<b>FUND BALANCE (US GAAP BASIS), June 30, 2015</b>			<b>\$ 16,395,007</b>	

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
CLACKAMAS INDUSTRIAL DEVELOPMENT AREA FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 537,062	\$ 537,062
Interest	547,585	547,585	19,941	(527,644)
Miscellaneous	2,874,960	2,874,960	995,865	(1,879,095)
<b>TOTAL REVENUES</b>	<b>3,422,545</b>	<b>3,422,545</b>	<b>1,552,868</b>	<b>(1,869,677)</b>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	3,263,216	3,263,216	267,416	2,995,800
Capital outlay	3,247,000	3,247,000	1,148,891	2,098,109
Contingency	1,313,380	1,313,380	-	1,313,380
<b>TOTAL EXPENDITURES</b>	<b>7,823,596</b>	<b>7,823,596</b>	<b>1,416,307</b>	<b>6,407,289</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,401,051)</b>	<b>(4,401,051)</b>	<b>136,561</b>	<b>(4,537,612)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	201,850	201,850	-	(201,850)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>201,850</b>	<b>201,850</b>	<b>-</b>	<b>(201,850)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(4,199,201)</b>	<b>(4,199,201)</b>	<b>136,561</b>	<b>4,335,762</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>4,199,201</b>	<b>4,199,201</b>	<b>3,982,679</b>	<b>(216,522)</b>
<b>FUND BALANCE, June 30, 2015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,119,240</b>	<b>\$ 4,119,240</b>
<b>ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)</b>				
Property held for sale			5,889,789	
<b>FUND BALANCE (US GAAP BASIS), June 30, 2015</b>			<b>\$ 10,009,029</b>	

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
NORTH CLACKAMAS REVITALIZATION AREA FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 2,000	\$ 2,000	\$ 15,365	\$ 13,365
Miscellaneous	-	-	22,010	22,010
<b>TOTAL REVENUES</b>	<u>2,000</u>	<u>2,000</u>	<u>37,375</u>	<u>35,375</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	574,400	700,400	565,177	135,223
Capital outlay	3,895,250	3,895,250	1,540,074	2,355,176
Contingency	453,917	496,054	-	496,054
<b>TOTAL EXPENDITURES</b>	<u>4,923,567</u>	<u>5,091,704</u>	<u>2,105,251</u>	<u>2,986,453</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(4,921,567)</u>	<u>(5,089,704)</u>	<u>(2,067,876)</u>	<u>3,021,828</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,895,256	2,035,236	2,035,236	-
Transfers out	(201,850)	(201,850)	-	201,850
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,693,406</u>	<u>1,833,386</u>	<u>2,035,236</u>	<u>201,850</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,228,161)	(3,256,318)	(32,640)	3,223,678
<b>FUND BALANCE, June 30, 2014</b>	<u>2,228,161</u>	<u>3,256,318</u>	<u>3,256,318</u>	<u>-</u>
<b>FUND BALANCE, June 30, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	3,223,678	<u>\$ 3,223,678</u>
<b>ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)</b>				
Contracts receivable susceptible to accrual, recognized as revenue on the US GAAP basis			<u>77,048</u>	
<b>FUND BALANCE (US GAAP BASIS), June 30, 2015</b>			<u>\$ 3,300,726</u>	

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
GOVERNMENT CAMP DEVELOPMENT AREA FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 2,012	\$ 2,012	\$ 4,205	\$ 2,193
<b>TOTAL REVENUES</b>	<u>2,012</u>	<u>2,012</u>	<u>4,205</u>	<u>2,193</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	631,357	631,357	617,273	14,084
Capital outlay	314,100	350,617	74,787	275,830
<b>TOTAL EXPENDITURES</b>	<u>945,457</u>	<u>981,974</u>	<u>692,060</u>	<u>289,914</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(943,445)</u>	<u>(979,962)</u>	<u>(687,855)</u>	<u>292,107</u>
<b>NET CHANGE IN FUND BALANCE</b>	(943,445)	(979,962)	(687,855)	292,107
<b>FUND BALANCE, June 30, 2014</b>	<u>943,445</u>	<u>979,962</u>	<u>979,962</u>	<u>-</u>
<b>FUND BALANCE, June 30, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292,107</u>	<u>\$ 292,107</u>

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
CLACKAMAS TOWN CENTER TAX INCREMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Interest	75,000	75,000	160,529	85,529
<b>TOTAL REVENUES</b>	<u>85,000</u>	<u>85,000</u>	<u>160,529</u>	<u>75,529</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	-	1,310,000	1,310,000	-
Debt service:				
Principal	215,239	-	-	-
Interest and fiscal charges	197,402	-	-	-
Contingency	2,774,077	2,760,202	-	2,760,202
<b>TOTAL EXPENDITURES</b>	<u>3,186,718</u>	<u>4,070,202</u>	<u>1,310,000</u>	<u>2,760,202</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(3,101,718)</u>	<u>(3,985,202)</u>	<u>(1,149,471)</u>	<u>2,835,731</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(7,500,000)	(7,500,000)	(5,000,000)	2,500,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(7,500,000)</u>	<u>(7,500,000)</u>	<u>(5,000,000)</u>	<u>2,500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(10,601,718)	(11,485,202)	(6,149,471)	5,335,731
<b>FUND BALANCE, June 30, 2014</b>	<u>37,311,795</u>	<u>38,195,279</u>	<u>38,195,279</u>	<u>-</u>
<b>FUND BALANCE, June 30, 2015</b>	<u>\$ 26,710,077</u>	<u>\$ 26,710,077</u>	<u>32,045,808</u>	<u>\$ 5,335,731</u>

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
NORTH CLACKAMAS REVITALIZATION AREA TAX INCREMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 1,610,000	\$ 1,610,000	\$ 1,935,373	\$ 325,373
Interest	40,000	40,000	7,311	(32,689)
<b>TOTAL REVENUES</b>	1,650,000	1,650,000	1,942,684	292,684
<b>EXPENDITURES:</b>				
Debt service:				
Principal	330,000	330,000	330,000	-
Interest and fiscal charges	223,960	223,960	223,960	-
<b>TOTAL EXPENDITURES</b>	553,960	553,960	553,960	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,096,040	1,096,040	1,388,724	292,684
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,895,256)	(2,035,236)	(2,035,236)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(2,895,256)	(2,035,236)	(2,035,236)	-
<b>NET CHANGE IN FUND BALANCE</b>	(1,799,216)	(939,196)	(646,512)	292,684
<b>FUND BALANCE, June 30, 2014</b>	1,799,216	939,196	939,196	-
<b>FUND BALANCE, June 30, 2015</b>	\$ -	\$ -	292,684	\$ 292,684
<b>ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			12,647	
<b>FUND BALANCE (US GAAP BASIS), June 30, 2015</b>			\$ 305,331	

**OTHER FINANCIAL SCHEDULE**

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
SCHEDULE OF PROPERTY TAX TRANSACTIONS  
YEAR ENDED JUNE 30, 2015**

Tax Year	Uncollected June 30, 2014	Levy as Extended by Assessor	Discounts	Interest	Adjustments	Collections	Uncollected June 30, 2015
2014-15	\$ -	\$ 1,989,738	\$ (51,019)	\$ 792	\$ (2,839)	\$ (1,890,266)	\$ 46,406
2013-14	42,628	-	14	1,814	(765)	(22,252)	21,439
2012-13	21,208	-	9	1,612	(107)	(9,109)	13,613
2011-12	14,596	-	18	2,035	(144)	(7,909)	8,596
2010-11	9,102	-	16	1,174	(141)	(3,919)	6,232
2009-10	6,392	-	1	376	(170)	(1,047)	5,552
2008-09 and prior	58	-	-	321	(223)	(871)	(715)
	<u>\$ 93,984</u>	<u>\$ 1,989,738</u>	<u>\$ (50,961)</u>	<u>\$ 8,124</u>	<u>\$ (4,389)</u>	<u>\$ (1,935,373)</u>	<u>\$ 101,123</u>

**STATISTICAL SECTION**

## Statistical Section

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

### Contents

#### ***Financial Trends***

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

#### ***Revenue Capacity***

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

#### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the Agency's ability to issue additional debt in the future.

#### ***Demographic and Economic Information***

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

#### ***Operating Indicators***

These schedules contain service and infrastructure data to help the reader understand how the information in the Agency's financial report relates to the services the Agency provides and the activities it performs.

#### Sources:

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Agency implemented GASB Statement 34 in fiscal year ending 2002 and GASB Statement 44 in fiscal year ending 2006; schedules presenting government-wide information include information beginning in that year.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**( 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	Total Governmental Activities Net Position
2006	\$ 79,843,100	\$ 90,695,588	\$ 170,538,688
2007 <sup>(1)</sup>	103,265,725	44,365,337	147,631,062
2008 <sup>(2)</sup> (restated)	108,382,724	41,575,079	149,957,803
2009	109,450,923	47,272,353	156,723,276
2010	112,673,168	49,663,032	162,336,200
2011 <sup>(3)</sup> (restated)	66,023,114	45,713,741	111,736,855
2012 <sup>(4)</sup> (restated)	64,934,116	56,136,145	121,070,261
2013	63,344,867	66,189,024	129,533,891
2014	61,305,020	65,376,493	126,681,513
2015	62,915,084	57,580,491	120,495,575

Notes:

(1) Construction of the Tri-met Clackamas Green line and the Clackamas Town Center Redevelopment began in fiscal year 2007. These project costs were approximately \$55 million dollars and were financed both by net assets and urban renewal bonds.

(2) Net position was restated by \$1,194,015 to record property held for sale and rental income that was not previously reported.

(3) Net position was restated by \$46,097,493 for transfers and disposals of capital assets that were not previously recorded.

(4) Net position was restated by \$278,352 for the reclassification of assets to property held for sale and for land and rights of way owned by the Agency but not previously recorded as capital assets.

Source:

Clackamas County Finance Department

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**( A Component Unit of Clackamas County, Oregon)**  
**CHANGES IN NET POSITION (1)**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2006	2007	(Restated) 2008 <sup>(2)</sup>	2009
<b>Expenses:</b>				
Public ways and facilities	\$ 4,130,319	\$ 40,165,157	\$ 10,990,999	\$ 5,802,458
Interest and fiscal charges	-	-	1,598,163	1,403,205
Total Expenses	<u>4,130,319</u>	<u>40,165,157</u>	<u>12,589,162</u>	<u>7,205,663</u>
Program Revenues				
Charges for services:				
Fees and permits	142,598	335,635	178,604	187,298
Operating grants and contributions	84,395	1,701,092	180,202	426,024
Total program revenues	<u>226,993</u>	<u>2,036,727</u>	<u>358,806</u>	<u>613,322</u>
Net (Expense)/Revenue	<u>(3,903,326)</u>	<u>(38,128,430)</u>	<u>(12,230,356)</u>	<u>(6,592,341)</u>
<b>General Revenues:</b>				
Property taxes levied for debt service	13,888,120	9,640,220	9,801,576	11,493,853
Earnings on investments	3,233,162	4,167,421	3,271,279	1,551,376
Gain (loss) on disposition of capital assets	-	1,255,320	96,686	-
Miscellaneous	129,523	157,843	193,541	312,585
Total general revenues	<u>17,250,805</u>	<u>15,220,804</u>	<u>13,363,082</u>	<u>13,357,814</u>
Commulative effect of correction of error			1,194,015	
Change In Net Position	<u>13,347,479</u>	<u>(22,907,626)</u>	<u>1,132,726</u>	<u>6,765,473</u>
Total Change In Net Position	<u>\$ 13,347,479</u>	<u>\$ (22,907,626)</u>	<u>\$ 2,326,741</u>	<u>\$ 6,765,473</u>

Notes:

- (1) All detail reported for changes in net assets represents governmental activity, as the Agency engages in no business-type activities.
- (2) Net position was restated by \$1,194,015 to record property held for sale and rental income that was not previously reported.
- (3) Net position was restated by \$46,097,493 for transfers and disposals of capital assets that were not previously reported.
- (4) Net position was restated by \$278,352 for the reclassification of assets to property held for sale and for land and improvements of way owned by the Agency but not previously recorded as capital assets.

Source:

Clackamas County Finance Department

Fiscal Year

2010	(Restated) 2011 <sup>(3)</sup>	(Restated) 2012 <sup>(4)</sup>	2013	2014	2015
\$ 7,766,476	\$ 18,521,355	\$ 4,819,574	\$ 5,135,196	\$ 4,843,852	\$ 11,563,486
1,496,025	621,057	844,855	530,974	231,467	217,304
<u>9,262,501</u>	<u>19,142,412</u>	<u>5,664,429</u>	<u>5,666,170</u>	<u>5,075,319</u>	<u>11,780,790</u>
15,575	-	-	84,073	693,417	1,139,716
456,127	126,321	1,015,970	65,110	109,002	23,812
<u>471,702</u>	<u>126,321</u>	<u>1,015,970</u>	<u>149,183</u>	<u>802,419</u>	<u>1,163,528</u>
<u>(8,790,799)</u>	<u>(19,016,091)</u>	<u>(4,648,459)</u>	<u>(5,516,987)</u>	<u>(4,272,900)</u>	<u>(10,617,262)</u>
13,109,932	13,508,355	12,851,079	13,242,827	867,290	1,942,513
700,625	400,568	344,132	302,819	228,499	269,025
-	-	-	(211,753)	-	-
593,166	605,316	529,102	625,924	324,733	2,219,786
<u>14,403,723</u>	<u>14,514,239</u>	<u>13,724,313</u>	<u>13,959,817</u>	<u>1,420,522</u>	<u>4,431,324</u>
5,612,924	(46,097,493)	278,352	8,442,830	(2,852,378)	(6,185,938)
<u>5,612,924</u>	<u>(4,501,852)</u>	<u>9,075,854</u>	<u>8,442,830</u>	<u>(2,852,378)</u>	<u>(6,185,938)</u>
<u>\$ 5,612,924</u>	<u>\$ (50,599,345)</u>	<u>\$ 9,354,206</u>	<u>\$ 8,442,830</u>	<u>\$ (2,852,378)</u>	<u>\$ (6,185,938)</u>

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**( A Component Unit of Clackamas County, Oregon)**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2006	2007	(Restated) 2008	2009
Reserved for land held for sale	\$ 2,488,018	\$ 13,699,841	\$ 13,348,012	\$ 12,370,848
Reserved for interfund loan receivable	-	4,450,000	450,000	414,205
Nonspendable for land held for sale	-	-	-	-
Nonspendable for interfund loan receivable	-	-	-	-
Restricted for public ways and facilities	-	-	-	-
Unreserved, reported in <sup>(1)</sup> :				
Capital projects funds	37,616,704	10,608,935	20,709,569	22,651,574
Debt service funds	49,985,768	49,580,098	36,742,859	35,829,450
<b>Total</b>	<b>\$ 90,090,490</b>	<b>\$ 78,338,874</b>	<b>\$ 71,250,440</b>	<b>\$ 71,266,077</b>

Notes:

(1) The Agency is structured such that it reports only Capital Projects and Debt Service funds. No general fund is reported.

Source:

Clackamas County Finance Department

Fiscal Year						
2010	2011	(Restated) 2012	2013	2014	2015	
\$ 12,370,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
335,247	-	-	-	-	-	-
-	7,953,143	10,395,126	10,383,024	10,271,338	9,756,958	
-	252,278	-	-	-	-	-
-	55,836,824	57,386,848	60,424,327	60,218,385	52,591,050	
25,294,802	-	-	-	-	-	-
30,264,271	-	-	-	-	-	-
<u>\$ 68,265,168</u>	<u>\$ 64,042,245</u>	<u>\$ 67,781,974</u>	<u>\$ 70,807,351</u>	<u>\$ 70,489,723</u>	<u>\$ 62,348,008</u>	

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**( A Component Unit of Clackamas County, Oregon)**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2006	2007	2008	2009
<b>Revenues:</b>				
Property taxes	\$ 13,886,250	\$ 9,819,028	\$ 9,693,299	\$ 11,310,127
Charges for services	142,598	844,608	31,884	16,000
Intergovernmental	375,192	1,701,092	806,592	1,021,841
Interest	3,233,162	4,167,421	3,271,279	1,551,376
Land sale proceeds	-	5,074,049	230,023	-
Other revenues	141,311	137,543	186,961	312,530
<b>Total revenues</b>	<b>17,778,513</b>	<b>21,743,741</b>	<b>14,220,038</b>	<b>14,211,874</b>
<b>Expenditures:</b>				
<b>Public ways and facilities</b>				
Materials and services	1,805,737	37,795,671	8,321,289	1,651,842
Capital expenditures for urban renewal	-	-	-	-
Capital outlay	10,681,311	37,677,335	7,283,607	4,630,017
<b>Debt service:</b>				
Principal	37,908	37,961	5,315,526	5,569,599
Interest	1,650	1,597	1,582,065	1,367,615
<b>Total expenditures</b>	<b>12,526,606</b>	<b>75,512,564</b>	<b>22,502,487</b>	<b>13,219,073</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>5,251,907</b>	<b>(53,768,823)</b>	<b>(8,282,449)</b>	<b>992,801</b>
<b>Other financing sources (uses):</b>				
Issuance of debt	-	35,333,000	-	-
Loss on land held for resale	-	-	-	(977,164)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>35,333,000</b>	<b>-</b>	<b>(977,164)</b>
<b>Net change in fund balances</b>	<b>\$ 5,251,907</b>	<b>\$ (18,435,823)</b>	<b>\$ (8,282,449)</b>	<b>\$ 15,637</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.0%</b>	<b>0.1%</b>	<b>45.3%</b>	<b>80.8%</b>

Source:  
Clackamas County Finance Department

Fiscal Year

	2010	2011	2012	2013	2014	2015
\$	13,097,986	\$ 13,519,292	\$ 12,725,803	\$ 13,113,891	\$ 1,656,850	\$ 1,933,455
	-	-	-	65,110	693,417	1,139,716
	859,092	126,321	1,015,970	481,921	109,002	23,812
	700,625	400,568	344,132	302,819	228,499	269,025
	-	-	-	-	205,689	-
	593,166	938,523	873,159	625,924	119,044	2,219,786
	<u>15,250,869</u>	<u>14,984,704</u>	<u>14,959,064</u>	<u>14,589,665</u>	<u>3,012,501</u>	<u>5,585,794</u>
	1,820,040	3,762,568	1,741,820	2,517,919	1,304,859	5,764,456
	-	-	-	1,534,292	822,249	3,271,273
	9,554,312	14,537,673	4,252,673	99,524	650,201	4,137,821
	5,738,508	5,999,610	6,562,592	6,862,995	315,000	330,000
	<u>1,138,918</u>	<u>907,776</u>	<u>864,275</u>	<u>549,558</u>	<u>237,820</u>	<u>223,960</u>
	<u>18,251,778</u>	<u>25,207,627</u>	<u>13,421,360</u>	<u>11,564,288</u>	<u>3,330,129</u>	<u>13,727,510</u>
	<u>(3,000,909)</u>	<u>(10,222,923)</u>	<u>1,537,704</u>	<u>3,025,377</u>	<u>(317,628)</u>	<u>(8,141,716)</u>
	-	6,000,000	-	-	-	-
	-	-	-	-	-	-
	-	<u>6,000,000</u>	-	-	-	-
\$	<u>(3,000,909)</u>	<u>\$ (4,222,923)</u>	<u>\$ 1,537,704</u>	<u>\$ 3,025,377</u>	<u>\$ (317,628)</u>	<u>\$ (8,141,716)</u>
	79.1%	64.7%	81.0%	64.7%	20.6%	5.8%

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
(A Component Unit of Clackamas County, Oregon)  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Clackamas Town Center Development Area	Clackamas Industrial Development Area	Government Camp Development Area	North Clackamas Revitalization Area	Total Taxable Assessed Value Before Exempt Property
2006 <sup>(3)</sup>	\$ 641,248,632	\$ 386,550,154	\$ 121,078,615	N/A	\$ 1,148,877,401
2007 <sup>(4)</sup>	529,014,380	-	145,847,118	N/A	674,861,498
2008	556,110,506	-	154,436,109	437,892,734	1,148,439,349
2009	626,259,370	-	180,772,900	456,338,586	1,263,370,856
2010	637,286,403	-	-	475,179,133	1,112,465,536
2011	723,719,341	-	-	485,274,293	1,208,993,634
2012	694,098,768	-	-	503,999,445	1,198,098,213
2013	713,675,190	-	-	516,819,892	1,230,495,082
2014	-	-	-	534,489,027	534,489,027
2015	-	-	-	558,344,837	558,344,837

Notes:

- (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 replace the former tax base amounts of the districts. 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) Tax rates vary between tax codes and between the urban renewal areas which comprise the Agency for 2003 - 2009. Rates are lowest in the Government Camp Area and higher in the Clackamas Town Center and Industrial Areas.
- (3) Prior to 2006 information on tax-exempt properties was not available.
- (4) Increased incremental assessed value due to project development and implementation, capital construction, and property development and redevelopment is a typical measure for an Urban Renewal District. As an urban renewal area nears plan termination, assessed value is returned to overlapping taxing districts. The Clackamas Town Center returned assessed values to regular tax roles during 2007 and the Clackamas Industrial Area ceased tax collection. Growth reported for these areas in prior years has been passed on to overlapping districts.
- (5) The total direct rate is from the Direct and Overlapping Property Tax Rates

N/A - Not available  
Clackamas County Department of Assessment and Taxation

Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (5)	Estimated Actual Market Value	Assessed Value as a Percentage of Market Value
\$ 249,599,015	\$ 899,278,386	\$ 1.13	\$ 1,213,190,775	74.13 %
105,025,599	569,835,899	0.69	1,003,031,858	56.81
117,483,752	1,030,955,597	0.69	1,981,961,268	52.02
125,931,981	1,137,438,875	0.74	2,199,346,692	51.72
104,379,693	1,008,085,843	0.84	1,765,617,801	57.10
103,994,405	1,104,999,229	0.85	1,364,126,347	81.00
140,529,045	1,057,569,168	0.80	1,417,412,597	74.61
144,900,842	1,085,594,240	0.79	1,396,001,589	77.76
16,818,635	517,670,392	0.11	627,214,181	82.53
18,894,028	539,450,809	0.12	687,680,813	78.44

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A component unit of Clackamas County, Oregon)**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**  
**(Rate per \$1,000 of Assessed Valuation)**

Year	Development Agency				Overlapping Rates								Total Direct & Overlapping
	General Operations	Special Revenue	Debt Service	Total Direct Rate	Clackamas County	County Component Units	Cities	Schools	College/ESD	Fire	Other Special		
2006	\$ -	\$ -	\$ 1.13	\$ 1.13	\$ 2.81	\$ 1.14	\$ -	\$ 5.57	\$ 1.12	\$ 2.38	\$ 0.58	\$ 14.73	
2007	-	-	0.69	0.69	2.87	1.19	-	5.75	1.09	2.39	0.53	14.51	
2008	-	-	0.69	0.69	3.11	1.18	-	6.59	1.10	2.38	0.71	15.76	
2009	-	-	0.74	0.74	3.09	1.18	-	6.52	1.10	2.37	0.63	15.63	
2010	-	-	0.84	0.84	3.11	1.61	-	6.51	1.08	2.37	0.66	16.18	
2011	-	-	0.85	0.85	3.11	1.61	-	6.58	1.06	2.36	0.62	16.19	
2012	-	-	0.80	0.80	3.12	1.61	-	7.22	1.04	2.36	0.51	16.66	
2013	-	-	0.79	0.79	3.11	1.61	-	6.78	1.06	2.36	0.55	16.26	
2014 <sup>(3)</sup>	-	-	0.11	0.11	2.97	1.31	2.19	7.03	1.07	2.09	0.77	17.53	
2015	-	-	0.12	0.12	2.97	1.31	2.24	6.75	1.07	2.09	0.75	17.30	

Notes:

- (1) Overlapping rates are those of local governments that apply to property owners within Agency geographical boundaries. Not all overlapping rates apply to all property owners. Rates shown are those charged to the majority of the taxpayers within the district and are stated in dollars and cents.
- (2) 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 in even numbered years, a majority vote in favor of a tax levy is sufficient to enact a levy, regardless of voter turnout.
- (3) The urban renewal levy within the Clackamas Town Center was terminated in June 2013, adding assessed value back the tax rolls.

Source:

Clackamas County Department of Assessment and Taxation

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**JUNE 30, 2015 AND NINE YEARS AGO**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Fred Meyer Stores Incorporated	\$ 26,086,080	1	4.67 %			
Phillips Edison & Co.	18,871,116	2	3.38			
Clackamas Court-270 LLC	16,770,183	3	3.00			
Sterling Rlty Orgnztion Co	15,544,067	4	2.78			
Guardian Management LLC	10,930,371	5	1.96			
Portland Paving Co Inc	9,952,996	6	1.78			
Mayes William E Trustee	8,500,085	7	1.52			
PCC Structurals, Inc.	7,585,220	8	1.36	\$ 18,381,951	3	2.04 %
Crosswhite Entrpr Inc	6,151,473	9	1.10			
Home Depot USA	5,953,273	10	1.07			
CH Realty III/Clackamas LLC				36,342,313	1	4.04
Warn Belleview, Inc.				24,427,639	2	2.72
Kaiser Foundation Hospital				17,969,390	4	2.00
Nikmat Properties LLC				17,739,807	5	1.97
Tree of Life NW Region				16,262,050	6	1.81
EMC4 LLC				15,720,326	7	1.75
Macy's Department Stores Inc.				13,868,070	8	1.54
Cooper Mountain Trust Co.				13,851,241	9	1.54
First American Tax Service				13,521,819	10	1.47
<b>Total</b>	<b>\$ 126,344,864</b>		<b>22.63 %</b>	<b>\$ 188,084,606</b>		<b>20.88 %</b>

Source:  
Clackamas County Department of Assessment and Taxation

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
PROPERTY TAX LEVIES AND COLLECTIONS <sup>(1)</sup>  
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
2006	\$ 14,284,065	\$ 13,554,271	94.89 %	\$ 206,974	\$ 13,761,245	96.34 %
2007	10,083,641	9,553,560	94.74	268,002	9,821,562	97.40
2008	10,030,959	9,434,717	94.06	328,043	9,762,760	97.33
2009	11,772,933	10,967,549	93.16	420,337	11,387,886	96.73
2010	13,552,689	12,692,945	93.66	408,534	13,101,479	96.67
2011	13,941,942	13,046,454	93.58	322,507	13,368,961	95.89
2012	13,124,714	12,330,904	93.95	201,054	12,531,958	95.48
2013	13,581,806	12,803,001	94.27	21,115	12,824,116	94.42
2014 <sup>(2)</sup>	1,696,068	1,607,597	94.78	20,438	1,628,035	95.99
2015	1,989,738	1,889,474	94.96	-	1,889,474	94.96

Source:  
Clackamas County Department of Assessment and Taxation

- Notes:
- (1) Clackamas Industrial Area and portions of Clackamas Town Center urban renewal areas were returned to regular tax roles during 2007.
  - (2) The urban renewal levy within the Clackamas Town Center was terminated in June 2013, adding assessed value back to the tax rolls.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County Oregon)  
RATIOS OF OUTSTANDING DEBT  
LAST TEN FISCAL YEARS**

Fiscal Year	Urban Renewal Bonds	Contract Payable	Percentage of Personal Income	Per Capita	Percentage of Taxable Assessed Value of Property
2006	\$ -	\$ 160,442	0.07 %	28 %	0.02 %
2007	35,333,000	120,884	5.03	2,212	6.22
2008	30,057,474	80,884	4.09	1,831	2.92
2009	24,568,705	-	3.36	1,467	2.16
2010	18,830,197	-	2.50	1,125	1.87
2011	18,830,587	-	2.23	1,024	1.70
2012	12,267,995	-	1.32	640	1.16
2013	5,405,000	-	0.59	290	0.50
2014	5,090,000	-	N/A	271	0.98
2015	4,760,000	-	N/A	250.20	0.88

Notes:

Details regarding the Agency's outstanding debt can be found in the notes to the basic financial statements.

See pages 41 & 42 for property value data.

See page 50 for population data.

N/A - Not available

Sources:

Clackamas County Department of Assessment and Taxation

Department of Human Resources, State of Oregon, Employment Division

Population from 2006 Claritas Inc. Site Report, based on 2000 census and projections thereafter

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County Oregon)**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2015**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes:</b>			
Clackamas County	\$ 98,780,000	1.1448 %	\$ 1,130,833
Clackamas County Rural Fire Protection District #1	-	2.7980	-
Clackamas County School District #12 (North Clackamas)	327,458,315	3.9882	13,059,693
Clackamas Community College	66,116,012	1.5672	1,036,170
Mt Hood Community College	24,445,000	0.0013	318
Metro	193,205,000	0.2819	544,645
Clackamas County Education Service District	-	1.2069	-
Clackamas County School District #46 (Oregon Trail)	107,595,487	0.0118	12,696
<b>Other debt:</b>			
Clackamas County	1,400,000	1.1448	16,027
North Clackamas Parks and Recreation District	9,925,000	3.9802	395,035
Clackamas County Rural Fire Protection District #1	18,290,000	2.7980	511,754
Clackamas Community College	28,045,000	1.5672	439,521
Port of Portland	65,302,566	0.2592	169,265
Metro	30,420,000	0.2819	85,754
Clackamas County Education Service District	23,405,000	1.2069	282,475
Mt. Hood Community College	41,038,056	0.0013	533
Subtotal overlapping debt			\$ 17,684,719
<b>Agency direct debt</b>			<b>\$ 4,760,000</b>
<b>Total direct and overlapping debt</b>			<b>\$ 22,444,719</b>

Note:

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

Source:

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

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**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County Oregon)  
LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit *	\$ 231,140,600	\$ 231,140,600	\$ 273,321,300	\$ 273,321,300
Total net debt applicable to limit	<u>200,000</u>	<u>160,442</u>	<u>35,453,884</u>	<u>30,138,358</u>
Legal debt margin	<u>\$ 230,940,600</u>	<u>\$ 230,980,158</u>	<u>\$ 237,867,416</u>	<u>\$ 243,182,942</u>
Total net debt applicable to the limit as a percentage of debt limit	0.09%	0.07%	12.97%	11.03%

ORS 457.190 notes for urban renewal plans that maximum indebtedness "shall be based upon good faith estimates of the scope and costs of projects" and specified in plan documents.

\* The limit is calculated as the maximum debt the Agency can incur as outlined in its approved budget document.

Source:  
Clackamas County Finance Department

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 273,321,300	\$ 273,321,300	\$ 273,321,300	\$ 273,321,300	\$ 87,000,000	\$ 87,000,000
<u>24,568,705</u>	<u>18,830,587</u>	<u>12,267,995</u>	<u>5,405,000</u>	<u>5,090,000</u>	<u>4,760,000</u>
<u>\$ 248,752,595</u>	<u>\$ 254,490,713</u>	<u>\$ 261,053,305</u>	<u>\$ 267,916,300</u>	<u>\$ 81,910,000</u>	<u>\$ 82,240,000</u>
8.99%	6.89%	4.49%	1.98%	5.85%	5.47%

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Year	Population	Personal Income	Per Capita Personal Income (1)	Clackamas County Unemployment Rate (3)
2006	5,770	\$ 238,751,060	\$ 41,378	5.1 %
2007 <sup>(2)</sup>	16,025	704,539,125	43,965	4.6
2008	16,456	737,278,168	44,803	4.7
2009	16,743	730,764,978	43,646	8.4
2010	16,743	752,664,822	44,954	10.4
2011	18,384	844,101,360	45,915	9.5
2012	19,181	926,173,766	48,286	8.4
2013	18,633	921,457,749	49,453	7.5
2014	18,778	N/A	N/A	6.4
2015	19,025	N/A	N/A	5.6

Notes:

- (1) Figures are for calendar year for Clackamas County from Bureau of Economic Analysis-U.S. Dept of Commerce.
- (2) The North Clackamas Development Area was added in 2007.
- (3) This number has been updated to reflect rates specific to Clackamas County per the State of Oregon Employment Department.

N/A - Not available.

Sources:

Department of Human Resources, State of Oregon Employment Department  
Population from Claritas, Inc. Site Report, based on 2000 census and projections thereafter  
Bureau of Economic Analysis, U.S. Department of Commerce  
U.S. Department of Labor, Bureau of Labor Statistics

**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**PRINCIPAL EMPLOYERS <sup>(1)</sup>**  
**JUNE 30, 2015 AND NINE YEARS AGO**

Employer	2015			2006		
	Employees	Rank	Percentage of Total <sup>(2)</sup>	Employees	Rank	Percentage of Total <sup>(2)</sup>
Intel Corp.	17,500	1	.02 %	15,000	1	.01 %
U.S. Federal Govt.	17,500	1	.02			
Providence Health System	15,239	3	.01	14,007	2	.01
Oregon Health & Sciences University	14,616	4	.01	11,400	4	.01
State of Oregon	14,200	5	.01	6,700	9	.01
Kaiser Foundation Health Plan of the Northwest	11,881	6	.01	7,797	8	.01
Legacy Health System	10,436	7	.01	7,900	7	.01
Fred Meyer Stores	10,237	8	.01	9,663	5	.01
City of Portland	8,558	9	.01	8,000	6	.01
Nike Inc.	8,000	10	.01	6,100	10	.01
Safeway, Inc., Portland Division				13,453	3	.01
<b>Total</b>	<b>128,167</b>		<b>0.11 %</b>	<b>100,020</b>		<b>0.10 %</b>

Sources:

(1) Statistics are the latest available data published in the Portland Business Journal *Book of Lists 2015*, and *Book of Lists 2006*. 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.

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
(A Component Unit of Clackamas County, Oregon)  
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30,</u>	<u>Function Highways &amp; Streets</u>
2006	6.40
2007	6.10
2008	6.50
2009	6.50
2010	6.50
2011	5.00
2012	5.00
2013	5.00
2014	5.00
2015	5.00

Source:  
Clackamas County Finance Department

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**CLACKAMAS COUNTY DEVELOPMENT AGENCY**  
**(A Component Unit of Clackamas County, Oregon)**  
**OPERATING INDICATORS**  
**LAST TEN FISCAL YEARS**

	2006	2007	2008	2009
Assessed value Clackamas Town Center Development Area	\$ 475,431,709	\$ 471,591,571	\$ 539,232,358	\$ 532,829,346
Change from prior year	22,763,032	(3,840,138)	67,640,787	(6,403,012)
Percentage change	5.03 %	(0.81) %	14.34 %	(1.19) %
Assessed value Clackamas Industrial Development Area <sup>(1)</sup>	\$ 323,052,373	-	-	-
Change from prior year	3,108,418	N/A	N/A	N/A
Percentage change	0.97 %	N/A	N/A	N/A
Assessed value Government Camp Development Area	\$ 100,794,304	\$ 133,929,445	\$ 160,228,796	\$ 159,612,783
Change from prior year	17,736,779	33,135,141	26,299,351	(616,013)
Percentage change	21.35 %	32.87 %	19.64 %	(0.38) %
Assessed value North Clackamas Revitalization Area <sup>(2)</sup>	N/A	-	\$ 446,425,950	\$ 444,996,746
Change from prior year	N/A	N/A	446,425,950	(1,429,204)
Percentage change	N/A	N/A	N/A	(0.32)
Assessed value all areas	\$ 899,278,386	\$ 605,521,016	\$ 1,145,887,104	\$ 1,137,438,875
Change from prior year	43,608,229	(293,757,370)	540,366,088	(8,448,229)
Percentage change	5.10 %	(32.67) %	89.24 %	(0.74) %

(1) Increased incremental assessed value due to project development and implementation, capital construction, and property development and redevelopment is a typical measure for an Urban Renewal District. As an urban renewal area nears plan termination, assessed value is returned to overlapping taxing districts. The Clackamas Town Center returned assessed values to regular tax roles during 2007 and the Clackamas Industrial Area ceased tax collection. Growth reported for these areas in prior years has been passed on to overlapping districts.

(2) Board of County Commissioners approved creation of the North Clackamas Revitalization Area at their May 25, 2006 meeting.

N/A - Not available

Source:  
Clackamas County Department of Assessment and Taxation

2010	2011	2012	2013	2014	2015
\$ 546,838,520	\$ 619,724,936	\$ 569,477,562	\$ 583,768,166	\$ -	\$ -
14,009,174	72,886,416	(50,247,374)	14,290,604	N/A	N/A
2.63 %	13.33 %	(8.11) %	2.51 %	N/A	N/A
-	-	-	-	-	-
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	-	-
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$ 461,247,323	\$ 485,274,293	\$ 488,091,606	\$ 501,826,074	\$ 517,670,392	\$ 539,450,809
16,250,577	24,026,970	2,817,313	13,734,468	15,844,318	21,780,417
3.65 %	5.21 %	0.58 %	2.81 %	3.16 %	4.21 %
\$ 1,008,085,843	\$ 1,104,999,229	\$ 1,057,569,168	\$ 1,085,594,240	\$ 517,670,392	\$ 539,450,809
(129,353,032)	96,913,386	(47,430,061)	28,025,072	(567,923,848)	21,780,417
(11.37) %	9.61 %	(4.29) %	2.65 %	(52.31) %	4.21 %

**CLACKAMAS COUNTY DEVELOPMENT AGENCY  
 (A Component Unit of Clackamas County, Oregon)  
 OPERATING INDICATORS- CAPITAL ASSET STATISTICS  
 LAST TEN FISCAL YEARS**

	2006	2007	2008	2009
<b>Capital projects in process during the year:</b>				
<b>Clackamas Town Center Development Area:</b>				
Property redevelopment	1	1	1	1
<b>Clackamas Industrial Development Area:</b>				
Property redevelopment	1	-	-	-
Street and highway Improvements	-	-	-	1
<b>Government Camp Development Area:</b>				
Cultural centers	1	1	1	1
Easements taken for redevelopment	1	1	1	1
<b>North Clackamas Revitalization Area <sup>(1)</sup> :</b>				
Neighborhood parks	-	-	-	-

Note:

(1) North Clackamas Revitalization Area created at the end of FY 2007

Source:

Clackamas County Finance Department

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
-	-	-	-	-	-
- 1	1 2	- 2	- 2	- 2	- 2
1 1	1 -	1 -	- -	- -	- -
1	1	1	1	-	-

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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**

**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  
 Clackamas County Development Agency  
 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 and each major fund of Clackamas County Development Agency (the Agency), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated November 25, 2015.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

## MOSS ADAMS<sub>LLP</sub>

### **Purpose of this Report**

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

*Moss Adams, LLP*

Eugene, Oregon  
November 25, 2015

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

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

Board of County Commissioners of  
Clackamas County, Oregon, as Governing Body of  
Clackamas County Development Agency  
Oregon City, Oregon

We have audited, the basic financial statements of Clackamas County Development Agency (the Agency) as of and for the year ended June 30, 2015, and have issued our report thereon dated November 25, 2015. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

### **Compliance**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules (OAR) 162-10-000 to 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2015 and 2016.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

## MOSS ADAMS<sub>LLP</sub>

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

### **Internal Control over Financial Reporting**

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

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

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

### **Purpose of this Report**

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



Eugene, Oregon  
November 25, 2015