



NORTH CLACKAMAS PARKS & RECREATION DISTRICT

A Component Unit of Clackamas County, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2013



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

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013

Prepared by:

Clackamas County Department of Business & Community Services and Department of Finance
Gary Barth, Director of Business and Community Services
Laura Zentner, Deputy Director, Business and Community Services, CPA
Marc S. Gonzales, Director of Finance
David Bodway, Finance Manager
Christa Bosserman Wolfe, Audit Manager, CPA

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

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

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INTRODUCTORY SECTION

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NORTH CLACKAMAS PARKS & RECREATION DISTRICT

Administration

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

October 31, 2013

To the Honorable Chair John Ludlow, Commissioner Jim Bernard, Commissioner Paul Savas, Commissioner Martha Schrader, Commissioner Tootie Smith and Citizens of the North Clackamas Parks and Recreation District (NCPRD):

State law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013.

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

Moss Adams, LLP, Certified Public Accountants, have issued an unqualified opinion on NCPRD's financial statements for the year ended June 30, 2013. The Independent Auditor's Report is located at the front of the financial section of this report.

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

Profile of the Government

NCPRD (the District), created November 6, 1990, is located in the urbanized northwest portion of Clackamas County (the County) one of Oregon's fastest growing regions. The District includes the Cities of Milwaukie and Happy Valley and a large area of urban unincorporated Clackamas County. It does not include the cities of Gladstone or Johnson City. The District is bounded on the east by SE 177th Avenue, on the west by the Willamette River, by the Multnomah/Clackamas County boundary to the north, and by the Clackamas River to the south. The District includes key areas of economic activity within the County: one of the State's largest commercial concentrations at Clackamas Town Center and the Clackamas Promenade shopping center, both thriving retail centers. Another strong area of economic activity is the industrial/commercial corridor along Highway 212/224.

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

The District was established as a County Service District (under ORS 451) and is a component unit of the County. The five-member Board of County Commissioners serves as the Board of

Directors (Board) for the District and the Commissioners are elected on a non-partisan basis. The Board appoints the County Administrator who oversees the District Director. Board members serve four-year terms and the Chair is specifically elected by voters. The Chair and other Board members are elected not by geographic region but at large.

The Budget Committee is composed of the Commissioners and five citizen members made up of District residents, who review and approve the budget for the fiscal year. A nine-member citizen District Advisory Board exists to make recommendations to the Board of Directors and Budget Committee.

The District provides a full range of park and recreation services to the community. These services include natural and developed park areas, recreational programs and activities, a full-service senior center providing social and recreational programs, a full-service aquatic center with multiple pools, water recreation, and instruction programs and a full-service sports complex with all-weather turf ball fields and a walking path.

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

Local Economy

The local economic climate has been relatively healthy for the District from its inception in 1990 until the significant economic downturn in 2008. The 2008 downturn resulted in annual property tax revenue increasing at a rate below the 3 percent allowed by law. In addition, System Development Charges revenue was impacted by the downturn. Fortunately, the revenue picture is slowly improving with annual property tax revenue once again projected to be above the 3 percent allowed by Measure 47/50. In addition, strong construction activity throughout the eastern portion of the District has resulted in increased revenues to respond to increased demand for services.

Similar to the nation, Oregon's economy in 2013 continues to gradually improve. However, the rate of improvement continues to be below the norm when compared to historical downturns. Since the recovery began for the labor market, Oregon's private sector jobs have been expanding at a rate just under 2 percent. Beginning in 2013, the private employment growth has increased to 2.5 percent primarily due to the regions outside the Portland Metropolitan area, such as Bend and Medford. The growth for the Portland Metropolitan remains steady at 2 percent. It should also be noted that Oregon places 19th in the nation for job growth based on a July 2013 job growth ranking report. In fact, over the past year the State has added 29,300 jobs, an increase of 1.8 percent. When compared to one year ago, Oregon ranked 28th and had job growth of 1.2 percent.

The *Leisure & Hospitality* and *Professional and Business Services* industries are leading in overall employment gains. These two industries accounted for 56 percent of the job increases in the past year and 47 percent of the *Professional and Business Services* job gains have been in sub-sectors that pay more than \$52,000 per year.

The August 2013 unemployment rate for Oregon was 8.1 percent; this is down from 8.7 percent nearly a year ago in September 2012. The recent acceleration of private sector jobs is

expected to hold steady for the next two years. Unfortunately, while there will be steady job growth, it will continue at a sluggish pace. In fact, it is not until 2015 that the unemployment rate is projected to fall below 7 percent in Oregon.

The two main factors behind the continued growth in Oregon employment are the housing market improvements and the state and local government employment situation. Permits for new construction in Oregon are currently growing at double digit rates for both single-family and multi-family projects. Bend is once again leading the housing market, with 16 percent appreciation largely because it fell so hard in the downturn. In addition, the local government outlook for employment is now stable and projected to grow along with the overall population in the next few years.

The U.S. economy also continues to progress at a slow pace. The good news is that the economic recovery persists. The bad news is that the growth has not translated into job creation as companies become more efficient and productive. The nation's unemployment rate for August 2013 sits at 7.3 percent down from 7.8 percent nearly a year ago in September 2012. Consistent with the past two years, there are two primary risks in the near-term economic outlook. The first is the federal fiscal policy including federal spending cuts/tax increases as well as the pace of monetary tightening. The federal fiscal policy remains an economic drag due to tax laws enacted at the beginning of the year in addition to the sequester that was officially put in place in March. These cuts are impacting both the private and public sectors and beginning to appear in the economic data. Regarding the monetary policy, the Federal Reserve has indicated that it will likely begin lessening its quantitative easing policies by the end of 2013 and begin raising the federal funds rate. To the extent that increased borrowing costs reduce new investment by firms or inhibit the improving housing market, it could have a negative impact on the economy.

Fortunately, fears of a renewed recession have lessened considerably. Based on a recent Wall Street Journal Economic Forecasting Survey from August 2013, economists have lowered their odds of a recession happening during the next year to 15 percent. So why the more optimistic outlook? The answer is the rebound in the housing market which also improves the *family* balance sheet. Home prices are rising at double-digit rates and as asset prices rise, so does wealth. Zillow recently reviewed homeowners with negative equity and in the first quarter of 2013 approximately 25 percent of homeowners owed more on their mortgages than their homes were worth. While still a large figure, it is down from 31 percent at the end of 2011. This translates into 2.7 million homeowners who were previously underwater who now have regained positive equity over the past 15 months. Despite the obvious risks, the outlook is improving among economists, businesses and consumers who are mostly in agreement that the strength and sustainability of the recovery is becoming less of a concern as time passes.

Clackamas County economic data is comparable to the State and National data. The housing market is strengthening, with sales and home prices on the upswing. Housing permits are at their highest level since 2007. Meanwhile, the unemployment rate is at its lowest level in five years, at 6.9% as of August 2013 down from 7.9% as of August 2012 (not seasonally adjusted). Total private nonfarm employment in Clackamas County increased by 2,600 jobs, or 2 percent when comparing August 2012 to August 2013. Government employment actually decreased by 200 jobs when comparing year-over-year. Overall, the County job growth rate has averaged 1.25 percent since the year 2000 and bumped up to 2 percent year-over-year. By comparison, population growth in Clackamas County since the year 2000 has averaged 1.02 percent. Unfortunately, like much of the nation, the GDP and economic output within Clackamas County has been growing at a much faster rate than job growth, with GDP increasing by 4.2 percent

and output increasing by 4.5 percent over the past decade. Again, this is an indication that companies are becoming much more efficient and productive - adding fewer employees who are producing greater output.

Long-term Financial Planning

In order to preserve a strong financial position, the District Advisory Board established a reserve/contingency policy for the District's General Fund in April 2001. This policy has recently been updated and it will be reviewed annually to ensure it is reflective of the current cash flow projections for the District. This policy has proven to be a prudent financial decision and has allowed the District to avoid borrowing in the early months of each fiscal year to fund operations while awaiting property tax proceeds, the bulk of which are received in November of each year.

The ending fund balance in June 2012 was \$2.7 million and increased to \$2.9 million at the end of fiscal year 2012-13. This increase can be largely attributed to a change in the methodology of allocating staff time between the Milwaukie Center and Nutrition and Transportation program.

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

During fiscal year 2012-13, District staff completed an inventory of capital assets and determined the dollars needed each year for the replacement and repair of the District's aging assets. This analysis and annual update help to ensure that funds are systematically set aside each year to make certain capital assets are replaced as needed and remain in good repair. The analysis and information have also been incorporated into the District's Five-Year Forecast.

Over the past seven years, the District has had an ambitious long-term capital improvement projects plan.

Although the District's capital improvement plan has been somewhat curtailed by the economic downturn, the District continued to move forward with the design and construction of the Trolley Trail. The funding for the Trolley Trail came from a variety of sources including the largest portion from Federal Transportation funds for bicycle and pedestrian projects. These funds were awarded by Metro and administered and paid through the Oregon Department of Transportation. The Trolley Trail runs along a historic corridor once used by a streetcar line that operated between Portland and Oregon City. The idea of developing a trail within this historic right-of-way has been a dream in the community for decades. The 6-mile Trolley Trail connects with existing bike lanes in Milwaukie and Gladstone and completes an essential link in Metro's regional trails system. The Trolley Trail and connecting trails create a continuous 20-mile system connecting Portland, Milwaukie, Gladstone, Oregon City and Gresham. The project was completed in fall of 2012 and was added to the District's assets as Contributed Capital in FY 12/13.

Major Initiatives

In 2012, the District began the process to update the District's Master Plan. The current plan was adopted by the Board of County Commissioners in 2004. Work on the previous plan began twelve years ago and since then the District has grown in population from approximately 90,933 residents to nearly 114,000 residents today. The needs and desires of District residents and trends in recreation and programming have changed. The new plan will address those changes. In addition, the City of Happy Valley joined the District in May 2006 and the District amended its Master Plan by incorporation of the City of Happy Valley's Parks Plan and the East Happy Valley Plan in July 2007. An update of the plan will fully incorporate the desires of the citizens of Happy Valley. The plan is expected to be complete in the spring of 2014 at which time it will be presented to the District Advisory Board and Board of County Commissioners.

The Clackamas County Town Center Urban Renewal District closed at the end of FY12-13, returning increased assessed value to the tax rolls within the Urban Renewal District boundary. The District boundary will realize an increase in assessed value of \$551 million resulting in an estimated \$280,000 in additional property tax revenue to the District.

The District is in the process of completing a *Cost Recovery Model*. Cost Recovery Models are used to prioritize and rank programs and services with their associated level of tax base subsidy. This model will give management the tools needed to make appropriate pricing decisions for the District's recreation and sports programs as well as provide information on program use and effectiveness to determine which programs should be retained or expanded and which programs are in decline and should be eliminated.

N CPRD's Aquatic Park implemented the Energy Trust of Oregon audit recommendations in September/October 2012. The project included replacing one boiler, two hot water pumps, four heat exchangers and the replacement of natatorium lights with higher efficiency equipment. Estimated costs are \$846,098; however, \$297,306 in estimated tax credits and incentives provide a net project cost of \$548,792. Project payback time is estimated to be nine years through reduced utility costs.

The Sunnyside Village Park #5, the final of six parks within the Sunnyside Village plan was completed in the summer of 2013. The District completed park plans and construction documents in partnership with the developer of the adjoining community in early 2013. Park elements within the 2.2 acre park include a playground featuring rocks and log climbing structures, a basketball court, picnic shelter and open play areas. The Park, officially named Pioneer Park, held its grand opening in October 2013.

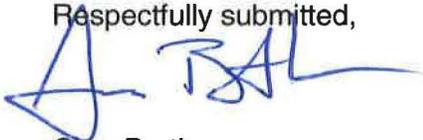
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Clackamas Parks and Recreation District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the nineteenth consecutive year the District has received the award. In order to be awarded such a Certificate, the District had to publish an easily-readable, efficiently-organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the North Clackamas Parks & Recreation District and Finance Departments. We express appreciation to all staff members who assisted and contributed to its preparation. Credit must also be given to the Board of County Commissioners for their support in maintaining the highest standards of public service in the management of NCPRD and to our citizen advisors who serve on the District Advisory Board.

Respectfully submitted,



Gary Barth
Director
North Clackamas Parks and Recreation District



Laura Zentner, CPA
Deputy Director/Business Operations Director
North Clackamas Parks and Recreation District



Government Finance Officers Association

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

Presented to

**North Clackamas
Parks and Recreation District
Oregon**

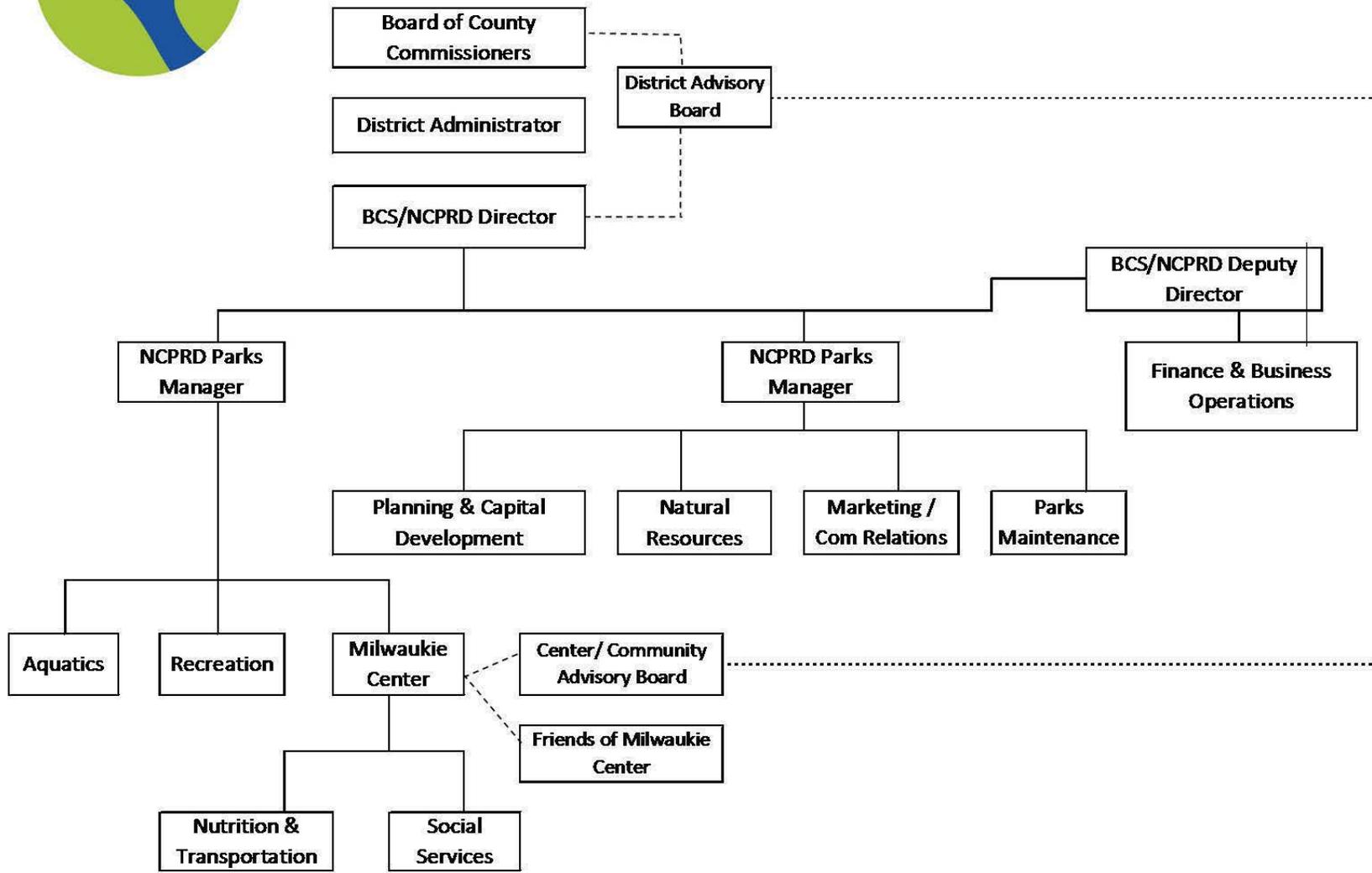
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



North Clackamas Parks and Recreation District 2012-2013 Organization Chart



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

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

Public Services Building
2051 Kaen Road
Oregon City, Oregon 97045

COMMISSIONERS AS OF JUNE 30, 2013

<u>Name</u>	<u>Term Expires</u>
John Ludlow, Chair Public Services Building	December 31, 2016
Jim Bernard, Commissioner Public Services Building	December 31, 2014
Martha Schrader, Commissioner Public Services Building	December 31, 2016
Tootie Smith, Commissioner Public Services Building	December 31, 2016
Paul Savas, Commissioner Public Services Building	December 31, 2014

DIRECTOR

Gary Barth

ADMINISTRATIVE OFFICES

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

LEGAL COUNSEL AND REGISTERED AGENT

Steven Madkour
2051 Kaen Road
Oregon City, Oregon 97045

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FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

REPORT OF INDEPENDENT AUDITORS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, Nutrition and Transportation Fund, System Development Charges District-Wide Fund, and System Development Charges Zone 3 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 LLP

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Nutrition and Transportation Fund, System Development Charges District-Wide Fund, and System Development Charges Zone 3 Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 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.

Other Information

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

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

The introductory section and statistical section has 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.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 District'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 October 31, 2013, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "James C. Lazzarotto".

For Moss Adams, LLP
Eugene, Oregon
October 31, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

This discussion and analysis of the North Clackamas Parks and Recreation District's financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- Assets of the District exceeded liabilities at the close of the fiscal year by \$38,634,909. Of this amount, \$5,185,931 may be used to meet ongoing obligations.
- Net position increased by \$8,194,129. The increase is due to the excess of program and general revenues over program expenses as seen in the Statement of Activities.
- Governmental funds reported combined ending fund balances of \$10,075,120, an increase of \$1,336,088 from prior year. Please see the Reconciliation of Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances to Statement of Activities on page 16 which reconciles in detail the increase in fund balances to the increase in net position.
- The District's total debt decreased by \$645,000 due to payments on existing debt principal.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Statement of Net Position

A condensed version of the Statement of Net Position for fiscal years ended June 30, 2013 and June 30, 2012 follows:

	2013	2012
Assets:		
Current assets	\$ 11,437,150	\$ 10,025,814
Capital assets	39,485,636	33,258,258
Total assets	50,922,786	43,284,072
Liabilities:		
Current liabilities	1,616,823	1,507,238
Liabilities due after one year	10,671,054	11,336,054
Total liabilities	12,287,877	12,843,292
Net position:		
Net investment in capital assets	28,149,582	21,277,204
Restricted for debt service	108,550	196,938
Restricted for acquisition and development	5,190,846	3,554,234
Unrestricted	5,185,931	5,412,404
Total net position	\$ 38,634,909	\$ 30,440,780

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Total net position from governmental activities increased by \$8,194,129 or 26.9%. Net investment in capital assets increased by \$6,872,378, or 32.3%. This increase can be attributed to payment of principal on the debt in the amount of \$645,000 and the net effect of capital asset additions, deletions and depreciation expense during the fiscal year in the amount of \$6,227,378. The most significant capital asset addition was the Trolley Trail, a 6-mile trail connecting existing bike lanes in Milwaukie and Gladstone and which completes an essential link in Metro's regional trails system. Net position restricted for acquisition and development increased by \$1,636,612, or 46%. These restricted assets are primarily system development charge revenues which are generated by commercial and residential development activity.

Statement of Activities The Statement of Activities for fiscal years ended June 30, 2013 and 2012 follows:

	2013	2012
Revenues		
Program revenues:		
Charges for services	\$ 4,536,423	\$ 4,309,629
Operating grants and contributions	812,842	876,887
Capital grants and contributions	6,892,951	-
	Total program revenues	5,186,516
General revenues:		
Property taxes	5,414,332	5,347,036
Earnings on investments	50,801	36,493
Loss on disposal of capital assets	(10,782)	-
Miscellaneous	154,387	59,764
	Total general revenues	5,443,293
	Total revenues	10,629,809
Expenses		
Culture and recreation	6,594,107	5,686,708
Health and welfare	2,653,230	2,282,523
Interest on long-term debt	409,488	430,037
	Total expenses	8,399,268
Changes in net position	8,194,129	2,230,541
Net position, beginning of year	30,440,780	28,210,239
Net position, end of year	\$ 38,634,909	\$ 30,440,780

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

District program revenues increased by \$7,055,700 or 136%. This increase can be attributed largely to the addition of the Trolley Trail as *Contributed Capital* in the amount of \$5,836,565 which was primarily funded by Federal Transportation Funds for bicycle and pedestrian projects. These funds were awarded by Metro and administered and paid through the Oregon Department of Transportation. In addition, charges for services increased due to the additional sports programs offered at the Hood View Sports Complex.

District general revenues increased by \$165,445 or 3%, in part due to increased property tax receipts in the amount of \$67,296. *Miscellaneous revenue* increased by \$94,623 due to a rebate from the Energy Trust of Oregon which was receipted into the *Miscellaneous revenue* category. Finally, earnings on investments increased by \$14,308 due to a higher cash balance throughout the fiscal year and slightly higher interest rates; unfortunately, the interest rates continue to remain low.

Program specific expenses increased by \$1,257,557 or 15%, largely due to an \$826,235 increase in depreciation expense when compared to prior year. Excluding the depreciation expense, the increase would be \$431,322, or 5% which is due to District program costs increases such as personnel costs and program-related expenditures. The District continues to put forth a strong effort to provide services in the most cost effective manner possible, however rising wages and benefit costs, along with increases in energy costs, continue to challenge those efforts.

Program specific revenues exceeded program expenses in 2013 by \$2,585,391. The \$2,585,391 increase is reflective of Contributed Capital recognized as program revenue and additional depreciation expense related to the addition of the Trolley Trail early in the fiscal year. The Trolley Trail is a 6-mile trail connecting existing bike lanes in Milwaukie and Gladstone and which completes an essential link in Metro's regional trails system. The Trolley Trail and connecting trails create a continuous 20-mile system connecting Portland, Milwaukie, Gladstone, Oregon City and Gresham. The District is currently working on implementing a cost analysis program to determine the actual costs of running individual programs. Once we have this detailed information, we can strategically decide which programs and to what degree the District will subsidize those programs with property tax dollars.

FUND ANALYSIS

The primary fund of the District, the General Fund, ended the year with a fund balance of \$2,948,646, an increase of \$280,585 from prior year. The key factor contributing to this increase is the implementation of a new methodology to more accurately allocate personnel costs between the General Fund and the Nutrition and Transportation Fund. The new methodology will help in understanding the true expenditures related to each program.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

FUND ANALYSIS (Continued)

The Nutrition and Transportation Fund ended the year with a fund balance of \$632,599, down \$209,985 from 2012. The decrease is also primarily due to a change in the methodology of allocating personnel costs between the General Fund and Nutrition and Transportation Fund as stated above.

The Capital Projects Fund ended the year with an ending fund balance of \$2,866,465, an increase of \$1,829,498 from prior year. This increase can be attributed to capital expenditures that were less than budgeted in fiscal year 12/13. The remaining balance will carry forward to be spent on future capital projects.

The System Development Charges Fund (District-wide) and the System Development Charges Fund (Zone 3) have a combined ending fund balance of \$2,233,812, down \$155,809 from prior year. This is primarily due to the increase in the transfers to the Capital Projects Fund. In addition, building activity has slightly decreased within the boundaries of the District.

The Capital Asset Replacement Fund ended the year with an ending fund balance of \$1,041,265, a decrease of \$383,234 from prior year. This decrease can be attributed to the completion of the energy upgrade project at the Aquatic Park in fiscal year 12/13.

General Fund Budgetary Highlights

When comparing final budget to actual revenues, total actual General Fund revenues are higher than budget by \$54,005. This variance is primarily due to the property taxes revenue category which came in higher than budget by \$74,079. Total expenditures (excluding contingency) in the General Fund Programs are under budget by \$691,782. This is primarily due to an intentional staff effort to examine and reduce expenditures where possible. To ensure that we optimize the use of taxpayer dollars while continuing to provide a high level of service to the citizens of the District, NCPRD management continued a comprehensive review of District operations, capital assets and staffing levels.

The General Fund expenditure budget was amended during 2013 in various divisions to account for additional expenditures related to program changes and to recognize additional funding for programs and projects.

CAPITAL ASSETS

As of June 30, 2013 and 2012, the District had invested \$39,485,636 and \$33,258,258 in capital assets, respectively, net of depreciation as reflected in the following table:

	<u>2013</u>	<u>2012</u>
Land	\$ 18,069,199	\$ 16,242,520
Construction in progress	465,457	1,684,579
Buildings	2,219,678	1,853,319
Office equipment	189,076	248,247
Improvements	18,381,842	13,054,070
Vehicles	160,384	175,523
	<u>\$ 39,485,636</u>	<u>\$ 33,258,258</u>

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

CAPITAL ASSETS (Continued)

Overall, investment in capital assets increased \$6,227,378 during the year. This increase is primarily due to the addition of the Trolley Trail, a 6-mile trail connecting existing bike lanes in Milwaukie and Gladstone and which completes an essential link in Metro's regional trails system. Please refer to Notes to Basic Financial Statements Note 1 for capital asset policy and Note 5 for a detailed summary of activity.

DEBT ADMINISTRATION

Full Faith and Credit Refunding Bonds were issued in 2010 to refund the Limited Tax Revenue Refunding Bonds issued in 2000. The original debt was issued in 1993 to pay for the construction of the District's Aquatic Facility and construction of several District parks. The payment of principal and interest is payable from property taxes assessed by Clackamas County to residents of the District. The new Refunding Bonds have a term of fifteen years and interest rate between 2.0% and 4.0% over the life of the debt.

Oregon Full Faith and Credit bonds were issued in 2008 to acquire and develop approximately 35 acres of land in the City of Happy Valley for District facilities. In FY 2009-10, the District completed Phase I of this 35-acre sports complex which includes four full-size, all-weather turf softball/baseball fields with lights, one overlaid multipurpose field, a gravel walking trail, parking areas, utilities, landscaping and a concessions building. The Full Faith and Credit Obligations have a term of twenty years and a variable interest rate of 3.00 to 4.00% per annum.

The following condensed schedule compares year end balances for 2013 and 2012. Please refer to Notes to Basic Financial Statements Note 9 for additional detail.

	<u>2013</u>	<u>2012</u>
Full Faith and Credit Obligations	<u>\$ 11,275,000</u>	<u>\$ 11,920,000</u>
	<u>\$ 11,275,000</u>	<u>\$ 11,920,000</u>

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

ECONOMIC FACTORS

Property taxes represent a significant revenue source for the District's governmental funds, approximately 31% and 50% of total revenues in 2013 and 2012, respectively. This decrease in the percentage of property taxes in relation to total revenues in FY12/13 is reflective of the addition of the Trolley Trail as Contributed Capital as referenced throughout this document. Property tax revenue increased by \$67,296, or 1.3% from prior year. All program areas are dependent upon property taxes; therefore, it is appropriate in this section to discuss the continued effect Measure 50 is having on the District.

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

The District is also dependent on system development charge revenue which is generated through new residential and commercial development throughout the District. These resources are used to fund capital projects within the District. In fiscal year 11/12, system development charge revenue was \$2,576,527 and in FY 12/13 decreased to \$2,483,299, reflecting a modest decrease in construction activity within the boundaries of the District. The District is dependent on this revenue to construct new capital assets throughout the District. Due to the slow economic recovery, the District's Capital Asset Program has been limited and will continue to be constrained until the economy completely recovers.

FINANCIAL CONTACT

The District's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the Chief Financial Officer at 150 Beaver Creek Road, Oregon City, Oregon 97045. The District's telephone number is (503)-742-4351. You can also reach us through our web page at <http://ncprd.com>.

BASIC FINANCIAL STATEMENTS

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities
ASSETS:	
Cash and investments	\$ 10,464,173
Property taxes receivable	360,409
Accounts receivable	416,610
Prepaid expense	12,530
Unamortized bond issue costs	183,428
Capital assets	
Capital assets not being depreciated	18,534,656
Capital assets being depreciated, net	20,950,980
TOTAL ASSETS	50,922,786
LIABILITIES:	
Accounts payable	207,540
Accrued interest payable	76,157
Due to Clackamas County	668,126
Long-term liabilities:	
Portion due or payable within one year:	
Bonds payable	665,000
Portion due or payable after one year:	
Bonds payable	10,671,054
TOTAL LIABILITIES	12,287,877
NET POSITION:	
Net investment in capital assets	28,149,582
Restricted for debt service	108,550
Restricted for acquisition and development	5,190,846
Unrestricted	5,185,931
TOTAL NET POSITION	\$ 38,634,909

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Culture, education and recreation	\$ 6,594,107	\$ 3,220,860	\$ 328,305	\$ 6,892,951	\$ 3,848,009
Health and human services	2,653,230	1,315,563	484,537	-	(853,130)
Interest on long-term debt	409,488	-	-	-	(409,488)
Total	<u>9,656,825</u>	<u>4,536,423</u>	<u>812,842</u>	<u>6,892,951</u>	<u>2,585,391</u>
GENERAL REVENUES					
Property taxes levied for general purposes					5,414,332
Earnings on investments					50,801
Loss on disposal of capital assets					(10,782)
Miscellaneous					<u>154,387</u>
TOTAL GENERAL REVENUES					<u>5,608,738</u>
CHANGE IN NET POSITION					8,194,129
NET POSITION, July 1, 2012					<u>30,440,780</u>
NET POSITION, June 30, 2013					<u><u>\$ 38,634,909</u></u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Special Revenue Funds			Capital Projects Fund	Capital Asset Replacement Fund	Other Governmental Funds	Total
		Nutrition and Transportation Fund	Development Charges District - Wide Fund	System Development Charges Zone 3 Fund				
ASSETS								
Cash and investments	\$ 3,590,537	\$ 679,548	\$ 1,369,282	\$ 598,682	\$ 2,849,631	\$ 1,081,633	\$ 294,860	\$ 10,464,173
Taxes receivable	360,409	-	-	-	-	-	-	360,409
Accounts receivable	135,300	10,000	143,558	122,290	5,462	-	-	416,610
Due from Clackamas County	-	-	-	-	24,432	-	-	24,432
Prepaid items	12,530	-	-	-	-	-	-	12,530
TOTAL ASSETS	\$ 4,098,776	\$ 689,548	\$ 1,512,840	\$ 720,972	\$ 2,879,525	\$ 1,081,633	\$ 294,860	\$ 11,278,154
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 153,202	\$ 16,690	\$ -	\$ -	\$ 13,060	\$ 24,588	\$ -	\$ 207,540
Due to Clackamas County	636,519	40,259	-	-	-	15,780	-	692,558
Deferred revenue	302,936	-	-	-	-	-	-	302,936
TOTAL LIABILITIES	1,092,657	56,949	-	-	13,060	40,368	-	1,203,034
FUND BALANCES								
Nonspendable	12,530	-	-	-	-	-	-	12,530
Restricted	-	-	1,512,840	720,972	2,866,465	-	199,119	5,299,396
Assigned	-	632,599	-	-	-	1,041,265	95,741	1,769,605
Unassigned	2,993,589	-	-	-	-	-	-	2,993,589
TOTAL FUND BALANCES	3,006,119	632,599	1,512,840	720,972	2,866,465	1,041,265	294,860	10,075,120
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,098,776	\$ 689,548	\$ 1,512,840	\$ 720,972	\$ 2,879,525	\$ 1,081,633	\$ 294,860	\$ 11,278,154

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

TOTAL FUND BALANCE		\$ 10,075,120
<p>Total net position shown in the Statement of Net Position and the Statement of Activities are different because:</p>		
<p>Capital assets are not financial resources for fund reporting purposes and therefore are not reported in the governmental funds.</p>		
		39,485,636
<p>A portion of the District's receivables are collected after year-end; but they are not collected soon enough to be available as financial resources for the current year. The revenues related to these receivables are deferred and not reported in the governmental funds.</p>		
		302,936
<p>Long-term assets, such as bond discount and issuance costs, are not reported as governmental fund assets and 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 expenditure when it is due. These long-term assets and liabilities consist of:</p>		
Bond issuance costs	\$ 183,428	
Accrued interest payable	(76,157)	
Bonds payable, net of bond premium and deferred refunding amounts	<u>(11,336,054)</u>	
Total effect of long-term assets and liabilities		<u>(11,228,783)</u>
TOTAL NET POSITION		<u>\$ 38,634,909</u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds						Other Governmental Funds	Total
	General Fund	Nutrition and Transportation Fund	Development Charges District - Wide Fund	System Development Charges Zone 3 Fund	Capital Projects Fund	Capital Asset Replacement Fund		
REVENUES:								
Property taxes	\$ 5,414,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,414,738
Licenses and permits	-	-	1,359,169	932,256	-	-	191,874	2,483,299
Interest	17,428	3,242	14,857	3,189	6,636	3,960	1,489	50,801
Intergovernmental	379,486	345,625	-	-	158,427	-	-	883,538
Charges for services	1,818,855	-	-	-	163,813	-	-	1,982,668
Contributions	19,275	138,912	-	-	-	-	-	158,187
Miscellaneous	10,723	12,380	-	-	-	131,284	-	154,387
TOTAL REVENUES	7,660,505	500,159	1,374,026	935,445	328,876	135,244	193,363	11,127,618
EXPENDITURES:								
Current:								
Culture, education and recreation	5,367,104	-	-	-	-	-	-	5,367,104
Health and human services	1,499,181	650,144	-	-	-	8,872	-	2,158,197
Capital outlay	-	-	-	-	293,635	917,006	-	1,210,641
Debt service:								
Principle	-	-	-	-	-	-	645,000	645,000
Interest and fiscal charges	-	-	-	-	-	-	410,588	410,588
TOTAL EXPENDITURES	6,866,285	650,144	-	-	293,635	925,878	1,055,588	9,791,530
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	794,220	(149,985)	1,374,026	935,445	35,241	(790,634)	(862,225)	1,336,088
OTHER FINANCING SOURCES (USES):								
Transfers in	348,522	-	-	-	1,794,257	407,400	1,062,000	3,612,179
Transfers out	(857,400)	(60,000)	(1,244,000)	(1,221,280)	-	-	(229,499)	(3,612,179)
TOTAL OTHER FINANCING SOURCES (USES)	(508,878)	(60,000)	(1,244,000)	(1,221,280)	1,794,257	407,400	832,501	-
NET CHANGE IN FUND BALANCE	285,342	(209,985)	130,026	(285,835)	1,829,498	(383,234)	(29,724)	1,336,088
FUND BALANCE, JUNE 30, 2012	2,720,777	842,584	1,382,814	1,006,807	1,036,967	1,424,499	324,584	8,739,032
FUND BALANCE, JUNE 30, 2013	\$ 3,006,119	\$ 632,599	\$ 1,512,840	\$ 720,972	\$ 2,866,465	\$ 1,041,265	\$ 294,860	\$ 10,075,120

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

NET CHANGE IN FUND BALANCES		\$ 1,336,088
<p>The change in net position reported in the Statement of Activities is different because:</p> <p>Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is capitalized. Their value is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	1,210,642	
Contributed capital asset	6,734,522	
Loss on disposal of asset	(10,782)	
Depreciation	<u>(1,707,004)</u>	6,227,378
<p>Long-term debt principal payments are recorded as expenditures in the governmental funds and issuance of long-term debt is recorded as an other financing source. In the Statement of Activities issuance of long-term debt reduces net position and the payment of long-term debt principal increases net position.</p>		
Amortization of bond premium		11,573
Amortization of bond issue cost		(14,384)
Amortization of deferred refunding		(11,520)
Payment of long-term debt principal		645,000
<p>In the Statement of Activities interest is accrued on long-term debt and the expense reduces net position. In the governmental funds interest expense is only recognized when it is due.</p>		
		400
<p>Receivables that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities they are recognized as revenue when levied or earned.</p>		
		<u>(406)</u>
CHANGE IN NET POSITION		<u>\$ 8,194,129</u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 5,335,902	\$ 5,335,902	\$ 5,409,981	\$ 74,079
Charges for services	1,782,899	1,836,999	1,818,855	(18,144)
Intergovernmental	349,542	370,842	379,486	8,644
Interest	12,000	12,000	17,428	5,428
Donations	12,000	12,000	19,275	7,275
Miscellaneous	34,000	34,000	10,723	(23,277)
TOTAL REVENUES	7,526,343	7,601,743	7,655,748	54,005
EXPENDITURES:				
Current:				
Administration	1,075,733	1,107,733	964,248	143,485
Park services	1,680,569	1,680,569	1,573,710	106,859
Program services	987,534	1,041,634	987,474	54,160
Milwaukie Center	674,299	699,299	653,654	45,645
Aquatic Park	1,777,457	1,777,457	1,682,667	94,790
Community relations	338,602	338,602	265,085	73,517
Planning and development	409,671	409,671	345,750	63,921
Natural Resources	481,802	503,102	393,697	109,405
Contingency	1,557,154	1,500,154	-	1,500,154
TOTAL EXPENDITURES	8,982,821	9,058,221	6,866,285	2,191,936
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,456,478)	(1,456,478)	789,463	2,245,941
OTHER FINANCING SOURCES (USES):				
Transfers in	348,522	348,522	348,522	-
Transfers out	(857,400)	(857,400)	(857,400)	-
TOTAL OTHER FINANCING SOURCES (USES)	(508,878)	(508,878)	(508,878)	-
NET CHANGE IN FUND BALANCE	(1,965,356)	(1,965,356)	280,585	2,245,941
FUND BALANCE, JUNE 30, 2012	1,965,356	1,965,356	2,668,061	702,705
FUND BALANCE, JUNE 30, 2013	\$ -	\$ -	\$ 2,948,646	\$ 2,948,646
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (U.S. GAAP BASIS):				
Property taxes susceptible to accrual recognized as revenue on the U.S. GAAP basis			57,473	
FUND BALANCE (U.S. GAAP BASIS) - June 30, 2013			\$ 3,006,119	

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NUTRITION AND TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 290,300	\$ 290,300	\$ 345,625	\$ 55,325
Interest	800	800	3,242	2,442
Donations	127,600	127,600	138,912	11,312
Miscellaneous	11,800	11,800	12,380	580
TOTAL REVENUES	430,500	430,500	500,159	69,659
EXPENDITURES:				
Current:				
Health and welfare				
Nutrition division	690,478	695,478	650,144	45,334
Contingency	534,129	529,129	-	529,129
TOTAL EXPENDITURES	1,224,607	1,224,607	650,144	574,463
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(794,107)	(794,107)	(149,985)	644,122
OTHER FINANCING SOURCES (USES):				
Transfers out	(60,000)	(60,000)	(60,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(60,000)	(60,000)	(60,000)	-
NET CHANGE IN FUND BALANCE	(854,107)	(854,107)	(209,985)	644,122
FUND BALANCE, JUNE 30, 2012	854,107	854,107	842,584	(11,523)
FUND BALANCE, JUNE 30, 2013	\$ -	\$ -	\$ 632,599	\$ 632,599

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES DISTRICT-WIDE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 800,000	\$ 800,000	\$ 1,359,169	\$ 559,169
Interest	5,500	5,500	14,857	9,357
TOTAL REVENUES	<u>805,500</u>	<u>805,500</u>	<u>1,374,026</u>	<u>568,526</u>
EXPENDITURES:				
Contingency	562,685	562,685	-	562,685
TOTAL EXPENDITURES	<u>562,685</u>	<u>562,685</u>	<u>-</u>	<u>562,685</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>242,815</u>	<u>242,815</u>	<u>1,374,026</u>	<u>1,131,211</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,244,000)	(1,244,000)	(1,244,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,244,000)</u>	<u>(1,244,000)</u>	<u>(1,244,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(1,001,185)</u>	<u>(1,001,185)</u>	<u>130,026</u>	<u>1,131,211</u>
FUND BALANCE, JUNE 30, 2012	<u>1,001,185</u>	<u>1,001,185</u>	<u>1,382,814</u>	<u>381,629</u>
FUND BALANCE, JUNE 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,512,840</u>	<u>\$ 1,512,840</u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 3 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 400,000	\$ 400,000	\$ 932,256	\$ 532,256
Interest	800	800	3,189	2,389
TOTAL REVENUES	<u>400,800</u>	<u>400,800</u>	<u>935,445</u>	<u>534,645</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,221,280)	(1,221,280)	(1,221,280)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,221,280)</u>	<u>(1,221,280)</u>	<u>(1,221,280)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(820,480)</u>	<u>(820,480)</u>	<u>(285,835)</u>	<u>534,645</u>
FUND BALANCE, JUNE 30, 2012	<u>820,480</u>	<u>820,480</u>	<u>1,006,807</u>	<u>186,327</u>
FUND BALANCE, JUNE 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 720,972</u>	<u>\$ 720,972</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District

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

Basis of Presentation, Measurement Focus, and Basis of Accounting

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

The District reports the following major funds:

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

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

The System Development Charges District – Wide Fund is a special revenue fund. It accounts for the District – Wide system development fees on new residential and commercial development.

The System Development Charges Zone 3 Fund is a special revenue fund. It accounts for the Zone 3 system development fees on new residential and commercial development.

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

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

The District reports the following fund types:

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

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus and Basis of Accounting

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

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

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

Fund Balances

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

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

Fund balance is reported as *Assigned* 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.

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

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

Fund balances by classification for the year ended June 30, 2013 were as follows:

	General Fund	Nutrition and Transportation Fund	System Development Charges District-Wide Fund	System Development Charges Zone 3 Fund	Capital Projects Fund	Capital Asset Replacement Fund	Other Governmental Fund	Total
Nonspendable:								
Prepays	\$ 12,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,530
Restricted for:								
Health and welfare	-	-	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	-	108,550	108,550
Acquisition and development	-	-	1,512,840	720,972	2,866,465	-	90,569	5,190,846
Assigned to:								
Health and welfare	-	632,599	-	-	-	-	-	632,599
Acquisition and development	-	-	-	-	-	1,041,265	95,741	1,137,006
Unassigned:	2,993,589	-	-	-	-	-	-	2,993,589
Total fund balances	<u>\$ 3,006,119</u>	<u>\$ 632,599</u>	<u>\$ 1,512,840</u>	<u>\$ 720,972</u>	<u>\$ 2,866,465</u>	<u>\$ 1,041,265</u>	<u>\$ 294,860</u>	<u>\$ 10,075,120</u>

Use of Estimates

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013**

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY [BUDGET]

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

- Property taxes susceptible to accrual are not recognized on a budget basis

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

4. CASH AND INVESTMENTS

Cash and investments are comprised of the following:

Petty cash/change fund	\$ 3,550
Cash and cash equivalents with the County Treasurer	556,377
State of Oregon Treasurer's Local Government Investment Pool	9,904,246
	\$ 10,464,173

Investments with the County Treasurer represent the District's equity in pooled accounts maintained by the County Treasurer. Investments with a remaining maturity of more than one year, at the time of purchase, are stated at fair value, which approximates cost. 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 District to invest in general obligations of the U.S. Government and in its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements and bankers' acceptances, among others. Reference should be made to the June 30, 2013 Comprehensive Annual Financial Report of Clackamas County for compliance with these statutes.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

ORS 294.035 authorizes the District to invest in general obligations of the United States and its agencies, debt obligations of the state of Oregon, California, Idaho, and Washington and their political subdivisions, banker's acceptances, corporate indebtedness, commercial paper, repurchase agreements, time certificates of deposit, fixed or variable life insurance contracts, and the State Treasurer's Local Government Investment Pool (LGIP).

Cash and investments comprise funds held and invested by the County Treasurer and the LGIP. Financial information required by Governmental Accounting Standards Board Statements (GASB) No. 3 and No. 40 regarding the accounting and financial reporting for the District's pooled cash and investments, held by the County Treasurer, has been disclosed in the County's Comprehensive Annual Financial Report for the year ended June 30, 2013.

Property Taxes Receivable

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

Capital Assets

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

Pension Plan

The District's personnel are employees of the County. 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. Contributions to OPERF are made on a current basis as required by the plan and are charged to expenditures. The District is paying for contracted services from the County that includes the amount to cover employee benefits. Since District personnel are employees of the County, the District has no obligation for related personnel expense accruals not currently reimbursed through the contracted rate.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

4. CASH AND INVESTMENTS (Continued)

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

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Increases	Transfers	Deletions	Balance June 30, 2013
Capital assets not being depreciated:					
Land	\$ 16,242,520	\$ 1,921,868	\$ (95,189)	\$ -	\$ 18,069,199
Construction in progress	1,684,579	5,683,742	(6,902,864)	-	465,457
Total capital assets not being depreciated	17,927,099	7,605,610	(6,998,053)	-	18,534,656
Capital assets being depreciated:					
Buildings	11,197,865	152,283	1,016,294	(11,386)	12,355,056
Office equipment	769,295	-	-	(72,542)	696,753
Improvements	15,208,627	73,461	5,981,759	-	21,263,847
Vehicles	528,866	113,810	-	(42,656)	600,020
Total capital assets being depreciated	27,704,653	339,554	6,998,053	(126,584)	34,915,676
Less accumulated depreciation for:					
Buildings	(9,344,546)	(802,218)	-	11,386	(10,135,378)
Office equipment	(521,048)	(52,655)	-	66,026	(507,677)
Improvements	(2,154,557)	(727,448)	-	-	(2,882,005)
Vehicles	(353,343)	(124,683)	-	38,390	(439,636)
Total accumulated depreciation	(12,373,494)	(1,707,004)	-	115,802	(13,964,696)
Total capital assets being depreciated, net	15,331,159	(1,367,450)	6,998,053	(10,782)	20,950,980
Total capital assets, net	\$ 33,258,258	\$ 6,238,160	\$ -	\$ (10,782)	\$ 39,485,636

Depreciation expense was charged as follows:

Culture and recreation	\$ 1,211,973
Health and welfare	495,031
	<u>\$ 1,707,004</u>

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013**

6. DUE TO/FROM CLACKAMAS COUNTY

\$668,126 is due to Clackamas County related to services received.

7. TRANSFERS TO/FROM OTHER FUNDS

Transfers to/from other funds for the year ended June 30, 2013, consisted of the following:

Amount	Description
\$ 500,000	From the General Fund to Other Governmental Funds for bond payments.
357,400	From the General Fund to the Capital Asset Replacement Fund for capital asset repair, replacement and acquisition.
10,000	From the Nutrition and Transportation Fund to the General Fund for the reimbursement of various utility costs.
50,000	From the Nutrition and Transportation Fund to the Capital Asset Replacement Fund for capital asset repair, replacement and acquisition.
338,522	From the System Development Charges District-Wide Fund to the General Fund to reimburse labor expenditures related to capital asset construction and acquisition.
343,478	From the System Development Charges District-Wide Fund to the Capital Projects Fund for capital asset construction and acquisition.
562,000	From the System Development Charges District-Wide Fund to Other Governmental Funds for bond payments.
229,499	From Other Governmental Funds to the Capital Projects Fund for capital asset construction and acquisition.
1,221,280	From the System Development Charges Zone 3 Fund to the Capital Projects Fund for capital asset construction and acquisition.
<u>\$ 3,612,179</u>	

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to errors and omissions; automobile; damage to and destruction of assets; and bodily injury for which the District carries commercial insurance. The District participates in the County's self-insurance program where not commercially insured. The District makes payments to the County's self-insurance internal service funds based on historical cost information estimates of the amounts needed to pay prior year and current year claims, claim reserves, premiums, and administrative costs of the program.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

8. RISK MANAGEMENT (Continued)

All personnel of the District are employees of the County and the County bears all risk of loss. The County is fully self-insured for unemployment benefits and short-term disability benefits. The County is also partially self-insured for dental benefits, workers' compensation and general liability claims. General liability claims are limited by state statute 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.

9. LONG-TERM DEBT

In 2008 the District issued Full Faith and Credit Obligations in the amount of \$8,000,000 to fund the creation of a new District park.

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

Changes in long-term debt for the year ended June 30, 2013, are as follows:

	Interest Rates	Original Amount	Outstanding June 30, 2012	Increases	Decreases	Outstanding June 30, 2013
Full Faith and Credit Obligations						
Series 2008	3.00% - 4.00%	\$ 8,000,000	\$ 6,875,000	\$ -	\$ (320,000)	\$ 6,555,000
Full Faith and Credit Refunding Bonds						
Series 2010	2.00% - 4.00%	5,660,000	5,045,000	-	(325,000)	4,720,000
			11,920,000	-	(645,000)	11,275,000
Premiums			148,532	-	(11,573)	136,959
Deferred refunding			(87,425)	11,520	-	(75,905)
			11,981,107	\$ 11,520	\$ (656,573)	11,336,054
Current Portion						(665,000)
						<u>\$ 10,671,054</u>

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013**

9. LONG-TERM DEBT (Continued)

Future maturities are as follows:

Fiscal Year	Full Faith & Credit Obligations Series 2008		Full Faith and Credit Refunding Bonds Series 2010		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2014	\$ 330,000	\$ 232,138	\$ 335,000	\$ 161,500	\$ 665,000
2015	345,000	221,581	340,000	154,800	685,000	376,381
2016	355,000	210,206	350,000	146,300	705,000	356,506
2017	365,000	198,506	355,000	136,675	720,000	335,181
2018	380,000	186,305	370,000	126,025	750,000	312,330
2019-2023	2,145,000	717,399	2,040,000	430,750	4,185,000	1,148,149
2024-2028	2,635,000	268,204	930,000	56,200	3,565,000	324,404
	<u>\$ 6,555,000</u>	<u>\$ 2,034,339</u>	<u>\$ 4,720,000</u>	<u>\$ 1,212,250</u>	<u>\$ 11,275,000</u>	<u>\$ 3,246,589</u>

10. GROUND LEASE

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

11. RELATED-PARTY TRANSACTIONS

Labor and fringe benefit costs, administrative expenses for accounting, risk management, human resource management, technology services, public and government affairs, records management and other professional services totaling \$5,026,453 were paid to various County departments. At June 30, 2013, the District owed the County \$668,126 for such services. Internal County departments allocate their expenses to all county departments including the District. Labor and fringe benefit costs for the District are based on actual costs and all other administrative costs are based on historical actual costs and allocated based on a "cost driver".

12. COMMITMENTS

The District has commitments under various contracts for approximately \$75,989 at June 30, 2013. This includes construction of the Hood View Park Playground, concept plans for Trillium Creek Park, and various other small contracts.

SUPPLEMENTARY INFORMATION

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds		Debt Service Funds		Total
	System Development Charges Zone 1 Fund	System Development Charges Zone 2 Fund	Series 2010 Debt Service Fund	Series 2008 Debt Service Fund	
	Fund	Fund	Service Fund	Service Fund	
<u>ASSETS:</u>					
Cash and Investments	\$ 6,280	\$ 84,289	\$ 95,741	\$ 108,550	\$ 294,860
TOTAL ASSETS	<u>6,280</u>	<u>84,289</u>	<u>95,741</u>	<u>108,550</u>	<u>294,860</u>
<u>FUND BALANCES:</u>					
Restricted	6,280	84,289	\$ -	108,550	199,119
Assigned	-	-	95,741	-	95,741
TOTAL FUND BALANCES	<u>\$ 6,280</u>	<u>\$ 84,289</u>	<u>\$ 95,741</u>	<u>\$ 108,550</u>	<u>\$ 294,860</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds		Debt Service Funds		Total
	System Development Charges Zone 1 Fund	System Development Charges Zone 2 Fund	Series 2010 Debt Service Fund	Series 2008 Debt Service Fund	
REVENUES:					
Licenses and permits	\$ 6,143	\$ 185,731	\$ -	\$ -	\$ 191,874
Interest	15	533	352	589	1,489
TOTAL REVENUES	<u>6,158</u>	<u>186,264</u>	<u>352</u>	<u>589</u>	<u>193,363</u>
EXPENDITURES:					
Debt service:					
Principle	-	-	325,000	320,000	645,000
Interest and fiscal charges	-	-	168,350	242,238	410,588
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>493,350</u>	<u>562,238</u>	<u>1,055,588</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,158</u>	<u>186,264</u>	<u>(492,998)</u>	<u>(561,649)</u>	<u>(862,225)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	500,000	562,000	1,062,000
Transfers out	(3,411)	(226,088)	-	-	(229,499)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,411)</u>	<u>(226,088)</u>	<u>500,000</u>	<u>562,000</u>	<u>832,501</u>
NET CHANGE IN FUND BALANCE	<u>2,747</u>	<u>(39,824)</u>	<u>7,002</u>	<u>351</u>	<u>(29,724)</u>
FUND BALANCE, JUNE 30, 2012	<u>3,533</u>	<u>124,113</u>	<u>88,739</u>	<u>108,199</u>	<u>324,584</u>
FUND BALANCE, JUNE 30, 2013	<u>\$ 6,280</u>	<u>\$ 84,289</u>	<u>\$ 95,741</u>	<u>\$ 108,550</u>	<u>\$ 294,860</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 1 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 2,000	\$ 2,000	\$ 6,143	\$ 4,143
Interest	-	-	15	15
TOTAL REVENUES	<u>2,000</u>	<u>2,000</u>	<u>6,158</u>	<u>4,158</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,411)	(3,411)	(3,411)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,411)</u>	<u>(3,411)</u>	<u>(3,411)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(1,411)</u>	<u>(1,411)</u>	<u>2,747</u>	<u>4,158</u>
FUND BALANCE, JUNE 30, 2012	<u>1,411</u>	<u>1,411</u>	<u>3,533</u>	<u>2,122</u>
FUND BALANCE, JUNE 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,280</u>	<u>\$ 6,280</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 2 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 100,000	\$ 100,000	\$ 185,731	\$ 85,731
Interest	1,200	1,200	533	(667)
TOTAL REVENUES	<u>101,200</u>	<u>101,200</u>	<u>186,264</u>	<u>85,064</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(226,088)</u>	<u>(226,088)</u>	<u>(226,088)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(226,088)</u>	<u>(226,088)</u>	<u>(226,088)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(124,888)</u>	<u>(124,888)</u>	<u>(39,824)</u>	<u>85,064</u>
FUND BALANCE, JUNE 30, 2012	<u>124,888</u>	<u>124,888</u>	<u>124,113</u>	<u>(775)</u>
FUND BALANCE, JUNE 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,289</u>	<u>\$ 84,289</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SERIES 2010 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 250	\$ 250	\$ 352	\$ 102
TOTAL REVENUES	<u>250</u>	<u>250</u>	<u>352</u>	<u>102</u>
EXPENDITURES:				
Debt Service:				
Principle	325,000	325,000	325,000	-
Interest and fiscal charges	<u>171,000</u>	<u>171,000</u>	<u>168,350</u>	<u>2,650</u>
TOTAL EXPENDITURES	<u>496,000</u>	<u>496,000</u>	<u>493,350</u>	<u>2,650</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(495,750)</u>	<u>(495,750)</u>	<u>(492,998)</u>	<u>2,752</u>
OTHER FINANCING SOURCE:				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>4,250</u>	<u>4,250</u>	<u>7,002</u>	<u>2,752</u>
FUND BALANCE, JUNE 30, 2012	<u>88,942</u>	<u>88,942</u>	<u>88,739</u>	<u>(203)</u>
FUND BALANCE, JUNE 30, 2013	<u>\$ 93,192</u>	<u>\$ 93,192</u>	<u>\$ 95,741</u>	<u>\$ 2,549</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SERIES 2008 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 10	\$ 10	\$ 589	\$ 579
TOTAL REVENUES	<u>10</u>	<u>10</u>	<u>589</u>	<u>579</u>
EXPENDITURES:				
Debt Service:				
Principle	320,000	320,000	320,000	-
Interest and fiscal charges	243,000	243,000	242,238	762
TOTAL EXPENDITURES	<u>563,000</u>	<u>563,000</u>	<u>562,238</u>	<u>762</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(562,990)</u>	<u>(562,990)</u>	<u>(561,649)</u>	<u>1,341</u>
OTHER FINANCING SOURCE:				
Transfers in	562,000	562,000	562,000	-
NET CHANGE IN FUND BALANCE	<u>(990)</u>	<u>(990)</u>	<u>351</u>	<u>1,341</u>
FUND BALANCE, JUNE 30, 2012	<u>108,918</u>	<u>108,918</u>	<u>108,199</u>	<u>(719)</u>
FUND BALANCE, JUNE 30, 2013	<u><u>\$ 107,928</u></u>	<u><u>\$ 107,928</u></u>	<u><u>\$ 108,550</u></u>	<u><u>\$ 622</u></u>

MAJOR FUND BUDGETARY SCHEDULES

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 538,297	\$ 538,297	\$ 163,813	\$ (374,484)
Interest	1,000	1,000	6,636	5,636
Intergovernmental	1,230,000	1,230,000	158,427	(1,071,573)
TOTAL REVENUES	1,769,297	1,769,297	328,876	(1,440,421)
EXPENDITURES:				
Capital outlay	2,573,297	2,573,297	293,635	2,279,662
Contingency	1,921,937	1,921,937	-	1,921,937
TOTAL EXPENDITURES	4,495,234	4,495,234	293,635	4,201,599
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,725,937)	(2,725,937)	35,241	2,761,178
OTHER FINANCING SOURCES (USES):				
Transfers in	1,794,257	1,794,257	1,794,257	-
TOTAL OTHER FINANCING SOURCES (USES)	1,794,257	1,794,257	1,794,257	-
NET CHANGE IN FUND BALANCE	(931,680)	(931,680)	1,829,498	2,761,178
FUND BALANCE, JUNE 30, 2012	931,680	931,680	1,036,967	105,287
FUND BALANCE, JUNE 30, 2013	\$ -	\$ -	\$ 2,866,465	\$ 2,866,465

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
CAPITAL ASSET REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 1,500	\$ 1,500	\$ 3,960	\$ 2,460
Miscellaneous	121,031	121,031	131,284	10,253
TOTAL REVENUES	<u>122,531</u>	<u>122,531</u>	<u>135,244</u>	<u>12,713</u>
EXPENDITURES:				
Current:				
Materials and services	25,000	25,000	8,872	16,128
Capital outlay	974,552	974,552	917,006	57,546
Contingency	958,105	958,105	-	958,105
TOTAL EXPENDITURES	<u>1,957,657</u>	<u>1,957,657</u>	<u>925,878</u>	<u>1,031,779</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,835,126)</u>	<u>(1,835,126)</u>	<u>(790,634)</u>	<u>1,044,492</u>
OTHER FINANCING SOURCE:				
Transfers in	407,400	407,400	407,400	-
NET CHANGE IN FUND BALANCE	<u>(1,427,726)</u>	<u>(1,427,726)</u>	<u>(383,234)</u>	<u>1,044,492</u>
FUND BALANCE, JUNE 30, 2012	<u>1,427,726</u>	<u>1,427,726</u>	<u>1,424,499</u>	<u>(3,227)</u>
FUND BALANCE, JUNE 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,041,265</u>	<u>\$ 1,041,265</u>

OTHER FINANCIAL SCHEDULE

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SCHEDULE OF PROPERTY TAX TRANSACTIONS
FOR THE YEAR ENDED JUNE 30, 2013

Tax Year	Taxes Receivable June 30, 2012	Levy as Extended by Assessor	Discounts Allowed	Interest	Adjustments	Collections	Taxes Receivable June 30, 2013
2012-13	\$ -	\$ 5,552,565	\$ (138,728)	\$ 2,814	\$ (15,521)	\$ (5,236,985)	\$ 164,145
2011-12	178,533		155	7,177	(6,849)	(87,090)	91,926
2010-11	90,787	-	88	6,735	(4,752)	(34,288)	58,570
2009-10	59,577	-	6	8,663	(716)	(34,564)	32,966
2008-09	18,256	-	5	4,308	(350)	(16,312)	5,907
2007-08 and prior	8,910	-	3	(782)	(494)	(742)	6,895
	<u>\$ 356,063</u>	<u>\$ 5,552,565</u>	<u>\$ (138,471)</u>	<u>\$ 28,915</u>	<u>\$ (28,682)</u>	<u>\$ (5,409,981)</u>	<u>\$ 360,409</u>

STATISTICAL INFORMATION

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Statistical Section

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	40-43
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	44-47
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	48-51
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	52-54
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	55-56

Sources:

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The District 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.

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

Fiscal Year Ended June 30,	Net Investment in Capital Assets	Restricted for Debt Service	Restricted for Acquisition and Development	Unrestricted	Total Net Position
2004	3,093,109	23,152	704,839	2,068,685	5,889,785
2005	3,269,961	22,867	1,418,606	2,631,371	7,342,805
2006	3,229,644	48,789	2,090,582	3,477,350	8,846,365
2007	6,396,425	45,392	2,805,568	3,655,242	12,902,627
2008	11,866,883	70,624	3,576,174	4,188,699	19,702,380
2009	17,554,633	188,378	410,134	4,503,977	22,657,122
2010	19,206,774	83,072	811,687	4,855,999	24,957,532
2011 (Restated)	21,055,761	83,344	1,882,388	5,188,746	28,210,239
2012	21,277,204	196,938	3,554,234	5,412,404	30,440,780
2013	28,149,582	108,550	5,190,846	5,185,931	38,634,909

Source: Clackamas County Finance Department

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

	Fiscal Year			
	2004	2005	2006	2007
Expenses:				
Culture, education and recreation	\$ 3,257,580	\$ 3,258,493	\$ 3,369,398	\$ 3,884,175
Health and welfare	1,214,760	1,278,330	1,314,110	1,488,166
Interest on long-term debt	438,936	426,783	418,824	407,458
Total expenses	<u>4,911,276</u>	<u>4,963,606</u>	<u>5,102,332</u>	<u>5,779,799</u>
Program Revenues:				
Charges for services:				
Culture, education and recreation	1,531,797	2,113,522	2,195,110	4,203,073
Health and welfare	34,947	40,565	29,569	26,767
Operating grants and contributions:				
Culture, education and recreation	982	259,470	32,139	212,603
Health and welfare	508,833	545,392	585,932	666,391
Capital grants and contributions:				
Culture, education and recreation	-	-	-	-
Total program revenues	<u>2,076,559</u>	<u>2,958,949</u>	<u>2,842,750</u>	<u>5,108,834</u>
Net Expense	<u>(2,834,717)</u>	<u>(2,004,657)</u>	<u>(2,259,582)</u>	<u>(670,965)</u>
General Revenues:				
Property taxes levied for general purposes	3,175,276	3,293,561	3,467,569	4,331,039
Earnings on investments	30,095	81,386	216,720	363,496
Interagency transfer in	-	-	-	-
Loss on disposal of capital assets	-	-	-	-
Miscellaneous	4,113	82,730	78,853	32,692
Total general revenues	<u>3,209,484</u>	<u>3,457,677</u>	<u>3,763,142</u>	<u>4,727,227</u>
Change In Net Position	374,767	1,453,020	1,503,560	4,056,262
Cumulative effect of correction of error	-	-	-	-
Total Change In Net Position	<u>\$ 374,767</u>	<u>\$ 1,453,020</u>	<u>\$ 1,503,560</u>	<u>\$ 4,056,262</u>

Notes:

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

Source: Clackamas County Finance Department

		Fiscal Year									
		2008	2009	2010	2011 (Restated)	2012	2013				
\$	4,433,921	\$	5,517,296	\$	5,151,374	\$	6,003,725	\$	5,686,708	\$	6,594,107
	1,895,318		2,162,530		2,185,918		2,429,902		2,282,523		2,653,230
	485,395		638,719		603,945		475,573		430,037		409,488
	<u>6,814,634</u>		<u>8,318,545</u>		<u>7,941,237</u>		<u>8,909,200</u>		<u>8,399,268</u>		<u>9,656,825</u>
	2,435,062		1,814,058		2,490,750		2,409,847		3,102,933		3,220,860
	1,094,013		815,012		1,119,032		1,082,685		1,206,696		1,315,563
	3,284,676		919,061		811,586		780,870		383,558		328,305
	1,475,724		412,911		364,626		350,825		493,329		484,537
	-		-		-		-		-		6,892,951
	<u>8,289,475</u>		<u>3,961,042</u>		<u>4,785,994</u>		<u>4,624,227</u>		<u>5,186,516</u>		<u>12,242,216</u>
	1,474,841		(4,357,503)		(3,155,243)		(4,284,973)		(3,212,752)		2,585,391
	4,644,258		4,912,438		5,089,720		5,168,112		5,347,036		5,414,332
	433,408		196,715		32,243		22,844		36,493		50,801
	-		2,000,000		-		-		-		-
	-		-		-		-		-		(10,782)
	247,246		203,092		333,690		110,349		59,764		154,387
	<u>5,324,912</u>		<u>7,312,245</u>		<u>5,455,653</u>		<u>5,301,305</u>		<u>5,443,293</u>		<u>5,608,738</u>
	6,799,753		2,954,742		2,300,410		1,016,332		2,230,541		8,194,129
	-		-		-		2,236,375		-		-
\$	<u>6,799,753</u>	\$	<u>2,954,742</u>	\$	<u>2,300,410</u>	\$	<u>3,252,707</u>	\$	<u>2,230,541</u>	\$	<u>8,194,129</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund:				
Reserved for prepaid items	\$ -	\$ -	\$ -	\$ -
Unreserved	1,609,361	2,152,979	2,456,136	2,373,420
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 1,609,361</u>	<u>\$ 2,152,979</u>	<u>\$ 2,456,136</u>	<u>\$ 2,373,420</u>
All Other Governmental Funds:				
Special revenue funds:				
Unreserved	\$ 863,345	\$ 1,566,419	\$ 2,230,820	\$ 3,016,770
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Capital project funds:				
Unreserved	304,732	338,740	894,724	1,046,500
Restricted	-	-	-	-
Assigned	-	-	-	-
Debt service funds:				
Unreserved	23,152	22,867	48,789	45,392
Restricted	-	-	-	-
Assigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 1,191,229</u>	<u>\$ 1,928,026</u>	<u>\$ 3,174,333</u>	<u>\$ 4,108,662</u>

Notes:

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

Source: Clackamas County Finance Department

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 52,650	\$ 53,375	\$ -	\$ -	\$ -	\$ -
2,731,915	1,547,530	-	-	-	-
-	-	7,167	840	1,640	12,530
-	-	2,857,900	3,369,492	2,719,137	2,993,589
<u>\$ 2,784,565</u>	<u>\$ 1,600,905</u>	<u>\$ 2,865,067</u>	<u>\$ 3,370,332</u>	<u>\$ 2,720,777</u>	<u>\$ 3,006,119</u>
\$ 3,964,821	\$ 954,203	\$ -	\$ -	\$ -	\$ -
-	-	-	-	99	-
-	-	811,687	1,590,255	2,596,596	2,324,381
-	-	673,843	763,252	763,156	632,599
5,293,877	2,137,160	-	-	-	-
-	-	595,725	393,982	1,036,967	2,866,465
-	-	321,766	572,292	1,424,499	1,041,265
70,624	188,378	-	-	-	-
-	-	249	251	196,938	108,550
-	-	82,823	83,092	-	95,741
<u>\$ 9,329,322</u>	<u>\$ 3,279,741</u>	<u>\$ 2,486,093</u>	<u>\$ 3,403,124</u>	<u>\$ 6,018,255</u>	<u>\$ 7,069,001</u>

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

	Fiscal Year			
	2004	2005	2006	2007
Revenues:				
Property taxes	\$ 3,181,024	\$ 3,313,663	\$ 3,478,838	\$ 4,299,108
Charges for services	1,287,471	1,215,846	1,313,467	1,251,602
Intergovernmental	359,760	663,042	677,230	943,009
Licenses and permits	279,273	938,241	674,111	2,719,057
Interest	30,095	81,386	216,720	363,496
Contributions	150,055	224,546	256,794	227,858
Grants	-	-	-	-
Miscellaneous	4,113	-	-	-
Total revenues	5,291,791	6,436,724	6,617,160	9,804,130
Expenditures:				
Culture and recreation	2,646,714	2,668,098	2,756,578	3,271,209
Health and welfare	1,210,858	1,273,234	1,305,173	1,473,169
Capital outlay	423,649	242,520	251,440	3,449,743
Debt service:				
Interest	308,193	521,090	330,000	345,000
Principal	472,633	451,367	424,505	413,397
Bond miscellaneous charges	-	-	-	-
Total expenditures	5,062,047	5,156,309	5,067,696	8,952,518
Excess (deficiency) of revenues over (under) expenditures	229,744	1,280,415	1,549,464	851,612
Other Financing Sources:				
Bond sale proceeds	-	-	-	-
Bond premium	-	-	-	-
Interagency transfer in	-	-	-	-
Payment to the escrow account for refunding debt	-	-	-	-
Total other financing sources	-	-	-	-
Net Change in Fund Balances	\$ 229,744	\$ 1,280,415	\$ 1,549,464	\$ 851,612
Debt service as a percentage of noncapital expenditures	16.8%	19.8%	15.7%	13.8%

Source: Clackamas County Finance Department

		Fiscal Year									
		2008	2009	2010	2011	2012	2013				
\$	4,588,601	\$	4,850,010	\$	5,076,968	\$	5,190,484	\$	5,292,033	\$	5,414,738
	1,962,160		1,752,008		2,628,682		1,403,186		1,733,102		1,982,668
	4,509,277		570,109		759,979		22,844		749,943		883,538
	1,566,915		877,062		981,100		891,019		2,576,527		2,483,299
	433,408		196,715		32,243		2,089,346		36,493		50,801
	182,750		188,442		176,137		182,152		126,944		158,187
	68,373		573,421		-		-		-		-
	247,246		203,092		333,691		110,349		59,764		154,387
	<u>13,558,730</u>		<u>9,210,859</u>		<u>9,988,800</u>		<u>9,889,380</u>		<u>10,574,806</u>		<u>11,127,618</u>
	4,048,501		4,965,560		4,523,581		4,728,427		4,984,606		5,367,104
	1,722,159		1,916,666		1,947,534		1,945,635		2,008,466		2,158,197
	9,420,705		10,248,820		1,723,430		735,632		559,030		1,210,641
	365,000		713,054		564,755		457,391		427,128		410,588
	388,558		600,000		700,000		600,000		630,000		645,000
	-		-		167,987		-		-		-
	<u>15,944,923</u>		<u>18,444,100</u>		<u>9,627,287</u>		<u>8,467,085</u>		<u>8,609,230</u>		<u>9,791,530</u>
	(2,386,193)		(9,233,241)		361,513		1,422,295		1,965,576		1,336,088
	8,000,000		-		5,820,100		-		-		-
	17,998		-		-		-		-		-
	-		2,000,000		-		-		-		-
	-		-		(5,711,099)		-		-		-
	<u>8,017,998</u>		<u>2,000,000</u>		<u>109,001</u>		<u>-</u>		<u>-</u>		<u>-</u>
\$	<u>5,631,805</u>	\$	<u>(7,233,241)</u>	\$	<u>470,514</u>	\$	<u>1,422,295</u>	\$	<u>1,965,576</u>	\$	<u>1,336,088</u>
	11.6%		16.0%		16.0%		13.7%		13.1%		12.3%

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

Fiscal Year Ended June 30,	Real Property	Personal Property	Manufactured Structures	Utilities	Less: Tax-Exempt Property
2004	6,182,592,859	298,776,530	46,652,891	131,046,219	N/A
2005	6,447,265,416	305,929,208	42,412,215	143,343,249	N/A
2006	7,449,304,590	329,099,861	47,158,845	144,738,575	693,321,506
2007	8,868,116,348	317,851,180	46,306,758	143,420,970	753,409,368
2008	9,536,743,361	321,849,290	46,697,288	164,021,680	814,691,217
2009	10,213,372,174	348,185,015	46,657,462	170,819,050	894,355,117
2010	10,663,564,256	438,992,435	44,405,581	246,059,663	1,073,825,814
2011	11,003,575,011	436,101,204	33,947,637	253,070,684	1,160,989,821
2012	11,354,569,712	386,090,839	32,711,207	247,419,694	1,241,400,122
2013	11,632,776,998	410,864,016	32,752,744	243,708,401	1,330,931,617

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

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

Source: Clackamas County Department of Assessment and Taxation

<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>True Cash Value</u>	<u>Assessed Value as a Percentage of True Cash Value</u>
6,659,068,499	0.49	8,453,958,495	78.77 %
6,938,950,088	0.49	9,126,179,245	76.03
7,276,980,365	0.49	10,134,214,099	71.81
8,622,285,888	0.51	13,401,583,777	64.34
9,254,620,402	0.51	15,555,384,495	59.49
9,884,678,584	0.51	16,512,824,110	59.86
10,319,196,121	0.50	14,799,900,037	69.72
10,565,704,715	0.50	13,285,445,756	79.53
10,779,391,330	0.51	12,527,289,343	86.05
10,989,170,542	0.51	13,497,590,811	81.42

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
DIRECT AND OVERLAPPING PROPERTY TAX RATES (2)
LAST TEN FISCAL YEARS
(Rate per \$1,000 of Assessed Value)**

Year	North Clackamas Parks & Recreation District		Overlapping Rates ⁽³⁾							Total Direct & Overlapping	Total Direct & Overlapping Range
	General Operations	Total Direct ⁽²⁾ Rate	Clackamas County	County Component Units	Cities	Schools	College/ESD	Fire	Other Special		
2004	\$ 0.49	\$ 0.49	\$ 2.77	\$ 1.58	\$ 0.55	\$ 5.81	\$ 1.09	\$ 2.22	\$ 0.50	\$ 15.01	\$14.08-17.90
2005	0.49	0.49	2.76	1.53	0.62	5.64	1.14	2.24	0.49	14.91	13.90-17.73
2006	0.49	0.49	2.70	1.43	0.86	5.66	1.12	2.38	0.52	15.16	13.93-17.90
2007	0.51	0.51	2.67	0.91	1.13	5.94	1.08	2.39	0.47	15.10	13.73-17.49
2008	0.51	0.51	2.93	0.93	1.05	6.57	1.06	2.38	0.67	16.10	10.09-19.03
2009	0.51	0.51	2.90	0.94	1.18	6.64	1.09	2.37	0.63	16.26	14.91-20.14
2010	0.50	0.50	2.91	1.44	1.11	6.65	1.07	2.37	0.67	16.72	15.46-19.49
2011	0.50	0.50	2.91	1.43	1.12	6.74	1.05	2.36	0.64	16.75	15.47-19.12
2012	0.51	0.51	2.91	1.42	1.20	7.29	1.04	2.36	0.51	17.24	15.60-19.58
2013	0.51	0.51	2.92	1.44	1.15	6.88	1.06	2.36	0.54	16.86	15.54-19.04

Notes:

- (1) Rates are summary for all Tax Code Areas where North Clackamas Parks and Recreation District taxes are assessed. From 2012 Tax District Summary for FY ending 06/30/2013 found on the Clackamas County website under the Department of Assessment and Taxation.
- (2) Direct Rate is actual rate charged each property that falls within the boundaries of the North Clackamas Parks and Recreation District for district support after application of property tax limitation.
- (3) Overlapping rates are those of local governments that apply to property owners within District geographical boundaries. Not all overlapping rates apply to all District property owners; for example, although County property taxes apply to all District property owners, only those in the cities of Damascus, Happy Valley and Milwaukie pay the city rate for Clackamas County. Other property owners pay County taxes at the rural rate. Only a small portion of the taxpayers within the cities of Happy Valley and Milwaukie are within the District boundaries. The average rate has been used for each category for comparison purposes, but a range of total rates has also been provided.
- (4) Property tax levies may only be approved by a majority vote in elections in which a majority of voters cast a ballot. In November elections of even numbered years a majority vote in favor of a tax levy is sufficient to enact a levy, regardless of voter turnout.

Source: Clackamas County Department of Assessment and Taxation

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
PRINCIPAL PROPERTY TAX PAYERS
JUNE 30, 2013 AND NINE YEARS AGO

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
General Growth Properties Inc.	\$ 206,270,722	1	1.88 %	\$ 114,731,887	1	1.72 %
Clackamas Baking Plant/Fred Meyer	115,905,458	2	1.05	112,909,660	2	1.70
PCC Structurals Inc.	79,084,247	3	0.72	54,029,642	3	0.81
Portland General Electric Company	74,725,000	4	0.68	43,479,000	4	0.65
Comcast Corporation	67,889,900	5	0.62			
Blount, Incorporated	64,224,547	6	0.58	42,350,105	5	0.64
Northwest Natural Gas	50,914,300	7	0.46			
Kaiser Foundation Hospital	50,594,306	8	0.46			
Marvin F Poer & Company	45,758,567	9	0.42	34,212,892	7	0.51
CH Realty III/Clackamas LLC	44,774,269	10	0.41	33,792,695	8	0.51
Warn Industries Inc				35,430,296	6	0.53
CenturyLink/Qwest Communications				33,138,219	9	0.50
WH Portland Industrial LLC				32,754,383	10	0.49
Total	\$ 800,141,316		7.28 %	\$ 536,828,779		8.06 %

Source: Clackamas County Department of Assessment and Taxation

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	3,256,491	3,068,208	94.2	87,840	3,156,048	96.9 %
2005	3,397,351	3,208,802	94.5	85,228	3,294,030	97.0
2006	3,566,536	3,384,291	94.9	87,880	3,472,171	97.4
2007	4,428,044	4,195,481	94.7	124,108	4,319,589	97.6
2008	4,754,017	4,471,437	94.1	170,818	4,642,255	97.6
2009	5,031,319	4,687,127	93.2	232,146	4,919,273	97.8
2010	5,211,357	4,883,899	93.7	171,454	5,055,353	97.0
2011	5,330,887	4,991,388	93.6	135,053	5,126,441	96.2
2012	5,460,383	5,132,683	94.0	87,090	5,219,773	95.6
2013	5,552,565	5,236,985	94.3	-	5,236,985	94.3

Source: Clackamas County Department of Assessment and Taxation

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Assessment Debt	Limited Tax Revenue Series 2000 Refunding Bonds	Full Faith & Credit Obligations Series 2008 Bonds	Full Faith & Credit Obligations Series 2010 Bonds			
2004	\$ 211,090	\$ 7,710,000	\$ -	\$ -	\$ 7,921,090	0.25 %	\$ 93.19
2005	-	7,400,000	-	-	7,400,000	0.21	84.57
2006	-	7,070,000	-	-	7,070,000	0.18	76.43
2007	-	6,725,000	-	-	6,725,000	0.16	71.93
2008	-	6,360,000	8,017,712	-	14,377,712	0.29	127.91
2009	-	5,975,000	7,801,812	-	13,776,812	0.28	121.12
2010	-	-	7,505,912	5,705,248	13,211,160	0.26	116.02
2011	-	-	7,200,012	5,411,095	12,611,107	0.24	110.75
2012	-	-	6,889,112	5,091,942	11,981,054	N/A	104.80
2013	-	-	6,568,212	4,767,789	11,336,001	N/A	99.22

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

Fiscal Year	Limited Tax Revenue Refunding Bonds	Full Faith & Credit Obligation Bonds	Total General Bonded Debt	Less Amounts Restricted to Repaying Principal	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2004	\$ 7,710,000	\$ -	\$ 7,710,000	\$ (23,152)	7,686,848	0.12 %	\$ 90.43
2005	7,400,000	-	7,400,000	(22,867)	7,377,133	0.11	84.31
2006	7,070,000	-	7,070,000	(48,789)	7,021,211	0.10	75.90
2007	6,725,000	-	6,725,000	(45,392)	6,679,608	0.08	71.44
2008	6,360,000	8,000,000	14,360,000	(70,624)	14,289,376	0.15	127.13
2009	5,975,000	7,785,000	13,760,000	(188,378)	13,571,622	0.14	119.32
2010	-	13,150,000	13,150,000	(83,072)	13,066,928	0.13	114.75
2011	-	12,550,000	12,550,000	(83,344)	12,466,656	0.12	109.48
2012	-	11,920,000	11,920,000	(196,938)	11,723,062	0.11	102.55
2013	-	11,275,000	11,275,000	(108,550)	11,166,450	0.10	97.74

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Clackamas County	\$ 108,260,000	27.5241 %	\$ 29,797,591
Clackamas County Education Service District	2,093,395	28.9828	606,725
Oak Lodge Water District	215,000	98.5121	211,801
Clackamas County Rural Fire Protection District #1	1,790,000	69.3288	1,240,986
Clackamas County School District #12 (North	341,589,382	96.1808	328,543,400
Clackamas County School District #62 (Oregon City)	86,200,000	8.3507	7,198,303
Clackamas County School District #115 (Gladstone)	50,968,230	4.7419	2,416,862
Clackamas Community College	27,365,000	37.9470	10,384,197
City of Happy Valley	4,170,000	100.0000	4,170,000
Metro	248,275,000	6.7482	16,754,094
Multnomah Cty SD 28J(Centennial)	31,001,858	0.9986	309,585
Mt Hood Community College	26,100,000	0.0912	23,803
Other debt:			
Clackamas County	5,705,000	27.5241	1,570,250
Oak Lodge Sanitary District #2	21,360,000	97.9192	20,915,541
Clackamas County Rural Fire Protection District #1	19,275,000	69.3288	13,363,126
Clackamas Community College	47,495,000	37.9470	18,022,927
City of Gladstone	1,935,000	0.0025	48
City of Milwaukie	4,060,000	99.0000	4,019,400
Port of Portland	68,077,306	6.1814	4,208,131
Metro	34,570,000	6.7482	2,332,852
Multnomah Education Service District	33,780,000	0.0265	8,952
Mt Hood Community College	44,801,649	0.0912	40,859
Clackamas County Education Service District	24,895,000	28.9828	7,215,268
Subtotal overlapping debt			473,354,701
District direct debt			11,336,001
Total direct and overlapping debt			\$ 484,690,702

Note:

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

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

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

Year	True Cash Value	Debt Percentage	Debt Limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2004	8,453,958,495	13	1,099,014,604	7,710,000	1,091,304,604	0.7 %
2005	9,126,179,245	13	1,186,403,302	7,400,000	1,179,003,302	0.62
2006	10,134,214,099	13	1,317,447,833	7,070,000	1,310,377,833	0.54
2007	13,401,583,777	13	1,742,205,891	6,725,000	1,735,480,891	0.39
2008	15,555,384,495	13	2,022,199,984	14,360,000	2,007,839,984	0.71
2009	16,512,824,110	13	2,146,667,134	13,760,000	2,132,907,134	0.64
2010	14,799,900,037	13	1,923,987,005	13,150,000	1,910,837,005	0.68
2011	13,285,445,756	13	1,727,107,948	12,550,000	1,714,557,948	0.73
2012	12,527,289,343	13	1,628,547,615	11,920,000	1,616,627,615	0.73
2013	13,497,590,811	13	1,754,686,805	11,336,001	1,743,350,804	0.65

Note:

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

Source: Clackamas County Finance Department

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

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income ⁽¹⁾	Portland Metropolitan Area Unemployment Rate ⁽²⁾
2004	85,000	3,152,990	37,094	6.8
2005	87,500	3,476,288	39,729	6.0
2006	92,500	3,827,465	41,378	5.0
2007	93,500	4,110,728	43,965	5.0
2008 ⁽³⁾	112,404	5,036,036	44,803	5.4
2009 ⁽⁴⁾	113,742	4,964,383	43,646	9.3
2010 ⁽⁵⁾	113,869	5,118,867	44,954	10.7
2011 ⁽⁶⁾	113,869	5,228,295	45,915	9.9
2012	114,321	N/A	N/A	8.5
2013	114,251	N/A	N/A	7.8

Notes:

(1) Figures are for calendar year.

(2) Includes Clackamas, Multnomah, Washington and Yamhill Counties in Oregon.

(3) Addition of City of Happy Valley to District in 2007. Population estimate from Metro.

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

(5) From Claritas Software from Nielsen Corp-

(6) From Claritas Software from Nielsen Corp-no significant changes this last fiscal year.

N/A Not available

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
PRINCIPAL EMPLOYERS (1)
JUNE 30, 2013 AND NINE YEARS AGO

Employer	2013			2004		
	Employees	Rank	Percentage of Total	Employees	Rank	Percentage of Total
Intel Corp.	16,250	1	.02 %	14,510	1	.02 %
Providence Health System	14,389	2	.01	13,475	2	.01
U.S. Federal Govt.	13,900	3	.01			
Oregon Health & Sciences University	13,733	4	.01	11,500	3	.01
Fred Meyer Stores	10,389	5	.01	9,492	4	.01
Legacy Health System	9,662	6	.01	7,816	6	.01
Kaiser Foundation Health Plan of the Northwest	9,195	7	.01	8,051	5	.01
City of Portland	8,951	8	.01			
State of Oregon	7,559	9	.01			
Nike Inc.	7,000	10	.01	4,500	9	.00
Tektronix				4,301	10	.00
Safeway, Inc., Portland Division				6,000	7	.01
Multnomah County				4,801	8	.01
Total	<u>111,028</u>		<u>0.11 %</u>	<u>84,446</u>		<u>0.09 %</u>

Sources;

(1) Statistics are the latest available data published in the Portland Business Journal *Book of Lists 2013* and *Book of Lists 2004*. The Business Journal *Book of Lists* ranks Portland Metropolitan Area employers.

(2) Total Portland Metropolitan Service Area employment used to calculate percentages is from the Oregon Employment Department.

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

<u>Year Ended June 30,</u>	<u>Health and Welfare</u>	<u>Culture and Recreation</u>	<u>Total</u>
2004	9.70	25.00	34.70
2005	9.20	22.60	31.80
2006	9.20	20.40	29.60
2007	9.00	20.35	29.35
2008	9.48	22.54	32.02
2009	9.00	24.54	33.54
2010	9.00	26.35	35.35
2011	9.00	25.67	34.67
2012	10.31	25.94	36.25
2013	10.44	26.84	37.28

Note:

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

Source: Clackamas County Finance Department.

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

Function	Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Health and welfare:										
Social service units provided	15,451	13,777	17,859	15,277	13,783	16,657	15,675	6,006	6,186	6,718
Meals on Wheels and on-site meals served	65,176	65,805	66,983	73,777	75,821	72,850	66,903	66,903	65,752	66,299
One way rides, older adults and disabled	11,404	10,800	12,310	11,440	11,210	14,652	14,662	12,967	12,541	11,935
Culture and recreation:										
Recreation programs	73	54	58	53	67	66	69	66	80	95
Recreation class participants	2,679	1,940	2,180	2,273	3,083	3,486	3,419	3,355	4,281	4,443
Recreation classes	280	179	185	239	268	292	281	264	380	293
Swim lesson participants ⁽³⁾	3,000	3,643	3,612	4,292	4,347	4,306	4,481	4,593	5,303	4,247
Aquatic park total customers served ⁽¹⁾	231,189	240,928	245,928	238,703	251,056	246,857	245,905	312,909	271,638	250,863

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

(2) Senior Companion and RSVP programs were eliminated in 2010. Other units of social services previously provided by the Milwaukie Center were shifted to the State of Oregon Social Services Department around the same time.

(3) New swim lesson program with lower ratios.

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

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

Function	Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Health and welfare:										
Milwaukie Center (serving senior and disabled citizens)										
Activity Rooms	9	9	9	9	9	9	9	9	9	9
Congregate dining room & café	1	1	1	1	1	1	1	2	2	2
Transportation vehicles (one each of 14, 16 & 20 passenger)	3	3	3	3	3	3	3	3	3	4
Culture and recreation:										
Acreage-maintained	95	101	101	101	498	519.5	523.2	505	517	592
Parks maintained	31	34	34	34	54	60	60	51	52	53
Play structures	24	26	26	26	26	29	30	30	30	30
Maintenance vehicles/equipment	14	14	14	14	20	21	22	25	30	30
Passenger van (Recmobile)	1	1	1	1	1	1	1	1	2	1
Buses	3	4	4	4	4	4	4	4	4	4
Sports fields:										
Baseball	3	3	3	5	5	9	11	11	11	11
Soccer	3	3	3	7	3	4	6	6	6	6
Tennis courts	3	3	3	3	3	3	3	3	3	3
Basketball	15	15	15	15	15	15	16	16	16	16
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Aquatic Park (five pools, game room, activity rooms)	1	1	1	1	1	1	1	1	1	1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, Nutrition and Transportation Fund, System Development Charges District-Wide Fund, and System Development Charges Zone 3 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

MOSS ADAMS_{LLP}

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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
October 31, 2013

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

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

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

We have audited, the basic financial statements of North Clackamas Parks and Recreation District, Oregon (the District) as of and for the year ended June 30, 2013, and have issued our report thereon dated October 31, 2013. 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 District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 2013 and 2014.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our 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 District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 compliance and internal control over financial reporting and the results of that testing, and not to provide an opinion on the effectiveness of the entity's compliance or on internal control. 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 compliance and internal control. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "James C. Laganotto".

For Moss Adams LLP
Eugene, Oregon
October 31, 2013