



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025



NORTH CLACKAMAS
PARKS & RECREATION DISTRICT

NCPRD IS A COMPONENT UNIT OF CLACKAMAS COUNTY, OREGON

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

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

Prepared by:

North Clackamas Parks and Recreation District and Clackamas County Department of Finance
Kia Selley, Director, North Clackamas Parks and Recreation District
Elizabeth Comfort, Director of Finance, Clackamas County
Kallie Guentner, Financial Services Supervisor, North Clackamas Parks and Recreation District

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

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION:</u>	
Letter of Transmittal	8
Certificate of Achievement for Excellence in Financial Reporting	13
Organizational Chart	14
List of Principal Officials	15
 <u>FINANCIAL SECTION:</u>	
 REPORT OF INDEPENDENT AUDITORS	 21
 MANAGEMENT'S DISCUSSION AND ANALYSIS	 27
 BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	35
Statement of Activities	36
Fund Financial Statements	
Balance Sheet - Governmental Funds	37
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	38
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	39
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	40
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	41
System Development Charges Zone 1 Fund - Statement of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	42
Notes to Basic Financial Statements	45
 SUPPLEMENTARY INFORMATION:	
Other Governmental Funds:	
Combining Balance Sheet	59
Combining Statement of Revenues, Expenditures and Changes In Fund Balances	60
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
System Development Charges Zone 2 Fund	61
System Development Charges Zone 3 Fund	62
Major Fund Budgetary Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Capital Projects Fund	63
Other Financial Schedule:	
Schedule of Property Tax Transactions	67

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

TABLE OF CONTENTS

STATISTICAL SECTION:

Net Position By Component - Last Ten Fiscal Years	73
Changes in Net Position - Last Ten Fiscal Years	74
Fund Balances, Governmental Funds - Last Ten Fiscal Years	75
Changes in Fund Balances, Governmental Funds - Last Ten Years	76
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	77
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years Principal	78
Property Tax Payers - June 30, 2025 and Nine Years Ago	79
Property Tax Levies and Collections - Last Ten Fiscal Years	80
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	81
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	82
Direct and Overlapping Governmental Activities Debt - June 30, 2025	83
Legal Debt Margin - Last Ten Fiscal Years	84
Demographic and Economic Statistics - Last Ten Fiscal Years	85
Principal Employers - June 30, 2025 and Nine Years Ago	86
Full-Time Equivalent Employees By Function/Program - Last Ten Fiscal Years	87
Operating Indicators - Last Ten Fiscal Years	88
Operating Indicators - Capital Assets Statistics – Last Ten Fiscal Years	89

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	93
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REPORT OF INDEPENDENT AUDITORS REQUIRED BY OREGON STATE REGULATIONS	97
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INTRODUCTORY SECTION

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NORTH CLACKAMAS

PARKS & RECREATION DISTRICT

Administration

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Oregon City, OR 97045
503.742.4348 phone 503.742.4349 fax
ncprd.com

November 12, 2025

To the Honorable Chair Craig Roberts, Director Paul Savas, Director Martha Schrader, Director Diana Helm, Director Ben West, and Residents of the North Clackamas Parks and Recreation District (NCPRD):

State law requires that every local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ending June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, which is based on a comprehensive framework of internal controls. 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.

Baker Tilly US, LLP has issued an unmodified opinion on NCPRD financial statements for the year ended June 30, 2025. 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. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

NCPRD ("District"), created November 21, 1990, is located in the urbanized northwest portion of Clackamas County ("County"), one of Oregon's fastest growing regions. As of July 1, 2020, the District includes a large unincorporated area of urban Clackamas County and the City of Milwaukie. It does not include the bordering cities of Happy Valley, Gladstone, or Johnson City. Of the District's approximately 107,000 residents, approximately 80 percent live in the unincorporated area and 20 percent live in the City of Milwaukie. The District is bounded on the west by the Willamette River, by the Multnomah/Clackamas County boundary to the north, by Gladstone and the Clackamas River to the south, and roughly by the City of Happy Valley to the east. The District includes key areas of economic activity within the County, including one of the State's largest commercial concentrations at Clackamas Town Center and the Clackamas Promenade shopping center, both thriving retail centers. Another strong area of economic activity is the industrial/commercial corridor along Highway 212/224.

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

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

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

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

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

Local Economic Condition and Outlook

Oregon's economic outlook reflects a slowing national economy, which continues to influence state revenues. While job growth has weakened and employment has declined in several sectors, income tax collections remain stable, in part due to inflation. Recent federal tax changes under House of Representatives Bill 1 (H.R. 1) are projected to reduce General Fund revenues by \$888 million in the 2025–27 biennium, contributing to a projected budget deficit. However, strong capital gains and corporate tax collections, along with signs of resilience in key indicators, suggest the state may avoid a recession if national conditions remain stable.¹

As of August 2024, Oregon's seasonally adjusted unemployment rate rose to 5 percent, up from 4.2 percent a year earlier, reflecting a gradual increase over the past year. Despite the rise in unemployment, the state added 6,900 nonfarm payroll jobs in August, with strong growth in health care and social assistance, leisure and hospitality, and government. Over the past 12 months, health care led job gains, particularly in nursing and residential care facilities. However, sectors like wholesale trade experienced significant declines, shedding 4,300 jobs. Overall, Oregon's labor market shows mixed signals, with continued sector-specific growth alongside rising unemployment.²

Oregon is projected to add 170,000 new jobs by 2033. Oregon's job growth will total 8 percent between 2023 and 2033. Private payrolls are expected to grow by 9 percent or 150,500 jobs, while government employment will increase by 6 percent or 10,700 jobs, and self-employment is projected to grow by 6 percent or 8,800 jobs.³

Clackamas County is similar to the State when examining its major industries and other economic indicators. Mirroring the State's unemployment rates, the County's unemployment rate in August 2025 increased slightly to 4.7 percent when compared to the previous month and 3.7 percent compared to a year ago. The county's labor force reached 172,900 in August 2025, an increase of 200 jobs from the

¹ <https://www.oregon.gov/das/oea/Documents/OEA-Forecast-0925.pdf>

² <https://www.oregon.gov/employ/NewsAndMedia/Documents/2025-09-17-Nonfarm-Payroll-Employment-Adds-6900-Jobs-August.pdf>

³ <https://www.qualityinfo.org/projections#1>

previous month and a decrease of 900 jobs from a year ago.⁴ The real market value in Clackamas County grew 1.4 percent in 2024, which is significantly lower than the 6.1 percent growth rate in 2023. However, the county's real market value has been trending upward since 2013.⁵ Additionally, as of September 2025, the population of Clackamas County has increased to 427,323, representing a 0.3 percent increase from 2024. And lastly, as of September 2025, housing units in Clackamas County total 176,600, with a median value of \$605,400.⁶

NCPRD's revenue from Parks System Development Charges (PSDCs) is directly tied to activity in the construction and housing markets. Permit activity has grown year over year, though it continues to reflect the broader challenges facing the construction industry. In fiscal year 2024-2025, Clackamas County issued 125 residential and commercial permits for new construction in the unincorporated area of the District, up from 92 permits the previous fiscal year. In contrast, the City of Milwaukie issued 29 new construction permits, a decrease from 34 issued in fiscal year 2023-2024. Looking ahead, Oregon and Clackamas County are expected to see continued slow growth in the construction sector, largely due to persistently high building costs.

NCPRD will continue to be cognizant of the changing economy and how deviations could affect the District.

Long-term Financial Planning

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

The NCPRD General Fund ending fund balance on June 30, 2024, was \$15.4 million and decreased to \$8.9 million at the end of fiscal year 2024-2025. The decrease in the General Fund balance is largely attributable to a significant investment in the Concord Park and Community Center.

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

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

⁴ <https://www.qualityinfo.org/documents/20117/102286/Clackamas%20Economic%20Indicators/b09517c0-e5d8-d4c0-2198-ca796570385c?version=6.0>

⁵ <https://dochub.clackamas.us/documents/drupal/3816ece2-bb01-4ab0-b947-ff747abf5b7a>

⁶ <https://censusreporter.org/profiles/05000US41005-clackamas-county-or/>

Major Initiatives

Since the District has limited General Funds available for operations, funding for capital projects has been prioritized through System development Charges and grants. As a result, select capital improvement efforts have continued in strategic locations within the district. A district-wide System Plan nearing completion will guide future improvements and investments to ensure that limited funding and resources are used in the areas of greatest need and highest value.

NCPRD System Plan

The System Plan will provide a 20-year roadmap for community-informed decision making. The last comprehensive Plan was approved in 2004. The Plan will provide guidance as to where and how to invest limited resources to address the needs and wants of the community. The Plan provides guidance on improvements to existing assets, development of new assets, potential property acquisitions, as well as funding opportunities and partnerships. The final 2025 System Plan was approved and adopted by the Board in October 2025.

Concord Park and Community Center

NCPRD acquired the Concord School in 2017-2018. It will function as a new community destination for recreation, enrichment, and social connection with the opening of a new community park, partially renovated community center, and new library.

The recently completed 2-acre community park provides unique recreation opportunities with the first fully accessible playground, nature-inspired play, and splash pad in the District. The former elementary school building has been upgraded for safety and accessibility and will serve as an all-ages community center. Construction of the park, playground, and community center renovations began in spring 2024 and are scheduled to be complete in fall 2025. An Intergovernmental Agreement between NCPRD and Clackamas County is underway to formalize the duties and responsibilities of each entity, with the agreement to be finalized by late 2025.

Park at Jennings Lodge Campus

NCPRD and the Oregon City School District are cooperatively planning a new neighborhood park on the Jennings Lodge Campus to provide recreational opportunities and amenities for the community. Robust community engagement took place beginning in the fall of 2023 through the spring of 2024 and the final design is now in the permit review process. Construction is anticipated to begin in the spring of 2026, contingent on funding for the project. Over 70% of the construction funding needed has been secured through grants and NCPRD staff are submitting additional grant proposals this fall.

Milwaukie Bay Park Phase III Improvements

Phase III of Milwaukie Bay Park improvements is currently on-hold due to ongoing litigation by the City of Milwaukie as to a legal means of departure from the District. The project is envisioned to include a children's play area, new amphitheater, interactive fountain, pathways for pedestrians, and a Trolley Trail connection through the park.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This was the thirty-first consecutive year the District received the award. To be

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

A Certificate of Achievement is valid for one year. We believe our current ACFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

NCPRD received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2024. This was the third consecutive year the District received the award. To qualify for the Distinguished Budget Presentation Award, the budget document must meet program criteria such as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kia Selley", with a stylized flourish at the end.

Kia Selley, *RLA*

Director

North Clackamas Parks and Recreation District



Government Finance Officers Association

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

Presented to

**North Clackamas Parks and Recreation District
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

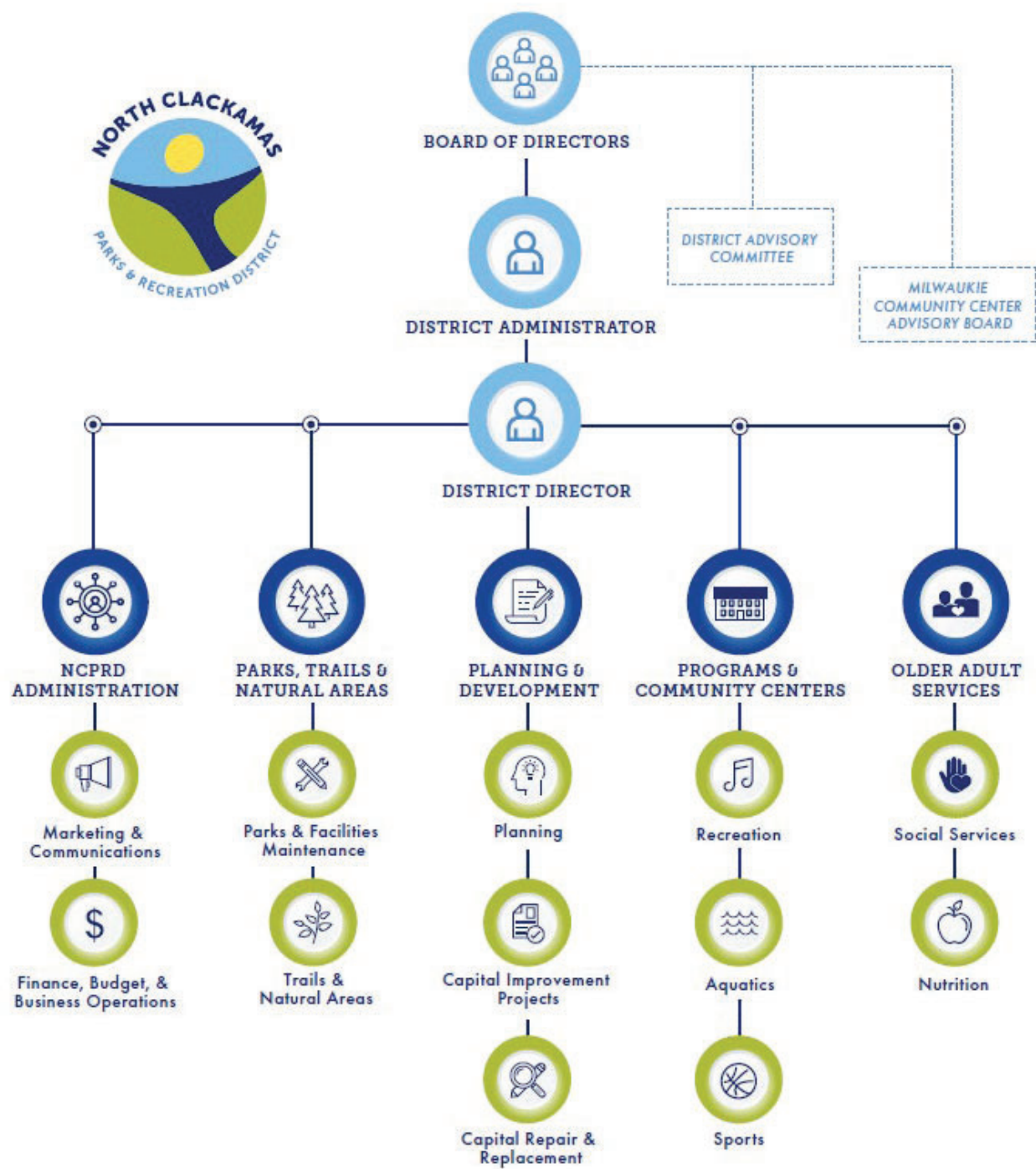
June 30, 2024

Christopher P. Morill

Executive Director/CEO

Organizational Chart

FY 2025-2026



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, 2025

<u>Name</u>	<u>Term Expires</u>
Craig Roberts, Chair Public Services Building	December 31, 2028
Diana Helm, Commissioner Public Services Building	December 31, 2026
Paul Savas, Commissioner Public Services Building	December 31, 2027
Martha Schrader, Commissioner Public Services Building	December 31, 2028
Ben West, Commissioner Public Services Building	December 31, 2026



ADMINISTRATIVE OFFICES

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

COUNTY ADMINISTRATOR

Gary Schmidt

LEGAL COUNSEL

Billy J. Williams

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITORS

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Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons of the General Fund and System Development Charges Zone 1 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and System Development Charges Zone 1 Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 12, 2025, on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Ashley Osten, Principal, for
Baker Tilly US, LLP
Portland, Oregon
November 12, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

This discussion and analysis of the North Clackamas Parks and Recreation District's financial performance provides an overview of the financial activities for the fiscal year ending June 30, 2025. 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 \$69,149,893. Of this amount, \$17,345,114 may be used to meet ongoing obligations.
- Net position increased by \$6,046,100. 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 a combined ending fund balance of \$27,613,151 an decrease of \$5,775,158 from the prior year. Please see the Reconciliation of the Statement of Revenues, Expenditures, and the Changes in Fund Balances to Statement of Activities on page 40, which reconciles the change in fund balances to the change in net position in detail.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Statement of Net Position

A condensed version of the Statement of Net Position for fiscal years ended June 30, 2025 and June 30, 2024 follows:

	2025	2024
Assets:		
Current assets	\$ 30,935,284	\$ 35,449,987
Capital assets	40,539,952	29,649,700
Total assets	<u>71,475,236</u>	<u>65,099,687</u>
Liabilities:		
Current liabilities	2,245,072	1,947,280
Liabilities due after one year	80,271	48,614
Total liabilities	<u>2,325,343</u>	<u>1,995,894</u>
Net position:		
Net investment in capital assets	38,948,062	29,442,761
Restricted for acquisition and development	12,856,717	14,879,153
Unrestricted	17,345,114	18,781,879
Total net position	<u>\$ 69,149,893</u>	<u>\$ 63,103,793</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Total net position from governmental activities increased by \$6,046,100 or 9.6%. Net investment in capital assets increased by \$9,505,301 or 32.3%. This increase can be attributed to the net effect of capital asset additions, deletions and depreciation expenses during the fiscal year. The most significant capital asset addition during the fiscal year was construction of the park, playground, and community center renovations at the Concord property. Net position restricted for acquisition and development decreased by \$2,022,436 or 13.6%. These restricted assets are primarily system development charge revenues generated by commercial and residential development activity.

Statement of Activities: The Statement of Activities for fiscal years ended June 30, 2025 and 2024 follows:

	2025	2024
Revenues		
Program revenues:		
Charges for services	\$ 2,740,471	\$ 2,963,457
Operating grants and contributions	2,080,068	856,973
Capital grants and contributions	1,985,031	1,893,279
Total program revenues	6,805,570	5,713,709
General revenues:		
Property taxes	7,368,088	7,128,492
Earnings on investments	1,740,658	1,778,499
Gain on sale of capital assets	2,567,966	-
Miscellaneous	141,122	969
Total general revenues	11,817,834	8,907,960
Total revenues	18,623,404	14,621,669
Expenses		
Culture, education and recreation	6,916,765	8,026,851
Health and welfare	5,659,171	4,215,581
Interest on long-term debt	1,368	1,970
Total expenses	12,577,304	12,244,402
Changes in net position	6,046,100	2,377,267
Net position, beginning of year	63,103,793	60,726,526
Net position, end of year	\$ 69,149,893	\$ 63,103,793

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

District program revenues increased by \$1,091,861, or 19.1%. The increase is primarily due to the receipt of grant funding to support various projects at the Concord property.

District general revenues increased by \$2,909,874, or 32.7%, which was primarily due to the gain on the sale of assets. In addition, earnings on investments decreased by \$37,841 due to a lower cash balance throughout the fiscal year.

Overall expenses increased by \$332,902, or 2.7%, over the prior year. All programs experienced increases in wages and benefits, rising utility costs, and inflation when purchasing goods and services. The District continues to make a strong effort to provide services in the most cost-effective manner possible.

Program-specific expenses exceeded program revenues in 2025 by \$5,771,734, compared to \$6,530,693 in the prior year. While operating grants and contributions and capital grants and contributions increased, charges for services decreased. Property taxes collected within the District are used to fund this income gap. Additionally, capital and depreciation expenses increased compared to the prior year. A majority of capital expenses were from construction projects located at the Concord property.

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

FUND ANALYSIS

The primary fund of the District, the General Fund, ended the year with a fund balance of \$8,971,338 a decrease of \$6,510,633 from the prior year. The decrease in fund balance is primarily attributable to the planned use of fund balance to support the investment in capital projects located at the Concord property.

The System Development Charges Fund (Zone 1) ended the year with a fund balance of \$7,716,104, an increase of \$53,690. This increase is due primarily to the growth in construction and system development charge fees collected in these areas.

The Capital Projects Fund ended the year with an ending fund balance of \$6,312,979, an increase of \$1,914,092 from the prior year. The increase in fund balance is primarily due to proceeds from the sale of two district-owned properties. The proceeds will support future capital acquisition.

General Fund Budgetary Highlights

When comparing the final budget to actual revenues, total actual General Fund revenues are higher than budgeted by \$577,523. This variance can be attributed to higher interest revenue and to a lesser degree, charges for services. Total expenditures, excluding contingency, in the General Fund Programs were under budget by \$625,519. This is

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

General Fund Budgetary Highlights (Continued)

primarily due to an intentional staff effort to examine and reduce expenditures where possible, as well as vacant positions during fiscal year 2024-2025. To ensure we optimize taxpayer dollars while continuing to provide a high level of service to the District, management continues to conduct a comprehensive review of District operations, capital assets, and staffing levels.

CAPITAL ASSETS

As of June 30 of 2025 and 2024, the District had invested \$40,539,952 and \$29,649,700, respectively in capital assets, net of depreciation and amortization as reflected in the following table:

	2025	2024
Land	\$ 13,842,791	\$ 12,708,765
Construction in progress	17,326,699	5,594,881
Buildings	554,009	1,139,917
Office equipment	292,150	354,288
Improvements	8,068,267	9,591,661
Vehicles	241,857	130,176
Intangible assets:		
Right to use asset	163,656	56,675
Software	50,523	73,337
	<u>\$ 40,539,952</u>	<u>\$ 29,649,700</u>

Overall, investment in capital assets increased by \$10,890,252 or 36.7% during the year. Decreases were realized in *Buildings*, *Office Equipment*, and *Improvements* due to the sale of two District-owned properties and the depreciation expense on current assets. An increase was realized in *Land* from the acquisition of a new property, *Construction in Progress* due to construction activities on the park, playground, and community center renovations at the Concord property, and *Vehicles* increased due to the purchase of a new EV vehicles to support facility maintenance and recreation activities. Please refer to Notes to Basic Financial Statements - Note 1 for capital asset policy, and Note 5 for a detailed summary of activity.

ECONOMIC FACTORS

Property taxes represent a significant revenue source for the District's governmental funds, 39.6% and 48.8% of total revenues in 2025 and 2024, respectively. Property tax revenue increased \$239,596 from the prior year due in part to the assessed value of properties in the District increasing. 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.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

ECONOMIC FACTORS (Continued)

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% of 1995-96 levels and established permanent tax rates and limited assessed value growth for individual properties to 3% per year with exceptions for new construction, subdivision, and rezoning. Certain taxes, such as those to pay bonded debt, were exempted from Measure 50 reductions. The maximum permanent tax rate for the North Clackamas Parks and Recreation District as calculated by the Oregon Department of Revenue is \$.5382 per \$1,000 of assessed value.

The District is also dependent on System Development Charge (SDC) revenue, which is generated through new residential and commercial development throughout the District. These resources are used to fund growth-related capital projects within the District. In 2024, SDC revenue was \$1,307,444 and increased to \$1,604,031 in 2025. This increase is largely due to high growth in the west side of the District. Since SDCs are one of the only revenue sources available to construct new capital assets, staff must monitor and forecast this revenue on a regular basis to ensure projections accurately reflect the economic climate of the County and surrounding Portland Metro area.

FINANCIAL CONTACT

The District's financial statements are designed to present users (residents, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the NCPRD Finance team via the District's main telephone number, (503) 742-4348, or email finance@ncprd.com.

BASIC FINANCIAL STATEMENTS

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Governmental Activities</u>
ASSETS:	
Cash and investments	\$ 16,747,454
Property taxes receivable	277,522
Accounts receivable	51,823
Grants receivable	978,422
Prepaid expense	5,028
Cash with fiscal agent	586,401
Restricted cash and investments	12,288,634
Capital assets	
Capital assets not being depreciated and amortized	31,169,490
Capital assets being depreciated and amortized, net	<u>9,370,462</u>
TOTAL ASSETS	<u>71,475,236</u>
LIABILITIES:	
Accounts payable	878,905
Deposits	9,400
Due to Clackamas County	585,594
Retainage payable	618,156
Unearned revenue	19,077
Long-term liabilities:	
Portion due or payable within one year:	
Lease payable	109,861
Software subscription payable	24,079
Portion due or payable after one year:	
Lease payable	55,737
Software subscription payable	<u>24,534</u>
TOTAL LIABILITIES	<u>2,325,343</u>
NET POSITION:	
Net investment in capital assets	38,948,062
Restricted for acquisition and development	12,856,717
Unrestricted	<u>17,345,114</u>
TOTAL NET POSITION	<u><u>\$ 69,149,893</u></u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 6,916,765	\$ 1,507,259	\$ 1,144,037	\$ 1,985,031	\$ (2,280,438)
Health and welfare	5,659,171	1,233,212	936,031	-	(3,489,928)
Interest	1,368	-	-	-	(1,368)
Total	12,577,304	2,740,471	2,080,068	1,985,031	(5,771,734)
GENERAL REVENUES					
Property taxes levied for general purposes					7,368,088
Earnings on investments					1,740,658
Gain on sale of capital assets					2,567,966
Miscellaneous					141,122
TOTAL GENERAL REVENUES					11,817,834
CHANGE IN NET POSITION					6,046,100
NET POSITION, July 1, 2024					63,103,793
NET POSITION, June 30, 2025					\$ 69,149,893

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, 2025

	General Fund	Special Revenue Fund System Development Charges Zone 1 Fund	Capital Projects Fund	Other Governmental Funds	Total
ASSETS					
Cash and investments	\$ 9,609,757	\$ -	\$ 7,137,697	\$ -	\$ 16,747,454
Taxes receivable	277,522	-	-	-	277,522
Accounts receivable	30,371	21,432	20	-	51,823
Grants receivable	9,500	-	968,922	-	978,422
Due from Clackamas County	-	-	-	18,918	18,918
Prepaid items	5,028	-	-	-	5,028
Cash with fiscal agent	-	-	586,401	-	586,401
Restricted cash and investments	-	7,694,822	-	4,593,812	12,288,634
TOTAL ASSETS	\$ 9,932,178	\$ 7,716,254	\$ 8,693,040	\$ 4,612,730	\$ 30,954,202
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 110,365	\$ -	\$ 768,540	\$ -	\$ 878,905
Due to Clackamas County	579,919	150	24,443	-	604,512
Deposits	9,400	-	-	-	9,400
Retainage payable	-	-	618,156	-	618,156
Unearned revenue	19,077	-	-	-	19,077
TOTAL LIABILITIES	718,761	150	1,411,139	-	2,130,050
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	242,079	-	968,922	-	1,211,001
FUND BALANCES					
Nonspendable	5,028	-	-	-	5,028
Restricted	-	7,716,104	527,883	4,612,730	12,856,717
Assigned	-	-	5,785,096	-	5,785,096
Unassigned	8,966,310	-	-	-	8,966,310
TOTAL FUND BALANCES	8,971,338	7,716,104	6,312,979	4,612,730	27,613,151
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 9,932,178	\$ 7,716,254	\$ 8,693,040	\$ 4,612,730	\$ 30,954,202

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, 2025

TOTAL FUND BALANCE			\$ 27,613,151
Total net position shown in the Statement of Net Position is different because:			
Capital assets are not financial resources for fund reporting purposes and therefore are not reported in the governmental funds.			
			40,539,952
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.			
			1,211,001
Long-term liabilities, such as lease payables and subscription based software payable, are not reported as governmental fund liabilities. These long-term liabilities consist of:			
Lease payable		(165,598)	
Software subscription payable		(48,613)	
Total effect of long-term liabilities		<u>(214,211)</u>	<u>(214,211)</u>
TOTAL NET POSITION			<u><u>\$ 69,149,893</u></u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund System Development Charges Zone 1 Fund	Capital Projects Fund	Other Governmental Funds	Total
REVENUES:					
Property taxes	\$ 7,315,766	\$ -	\$ -	\$ -	\$ 7,315,766
Licenses and permits	-	1,050,821	-	553,210	1,604,031
Interest	775,909	383,328	321,296	260,125	1,740,658
Intergovernmental	268,479	1,866	642,196	11,284	923,825
Charges for services	2,740,471	-	-	-	2,740,471
Interfund services provided	16,446	-	-	-	16,446
Contributions and donations	186,258	-	381,000	-	567,258
Miscellaneous	141,122	-	-	-	141,122
TOTAL REVENUES	11,444,451	1,436,015	1,344,492	824,619	15,049,577
EXPENDITURES:					
Current:					
Culture, education and recreation	5,990,328	15,538	347,213	32,452	6,385,531
Health and welfare	4,901,177	-	-	-	4,901,177
Capital outlay	219,436	-	15,278,027	-	15,497,463
Debt service:					
Principal	128,134	-	-	-	128,134
Interest	1,368	-	-	-	1,368
TOTAL EXPENDITURES	11,240,443	15,538	15,625,240	32,452	26,913,673
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	204,008	1,420,477	(14,280,748)	792,167	(11,864,096)
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of capital assets	-	-	5,869,502	-	5,869,502
Issuance of long-term debt - leases	219,436	-	-	-	219,436
Transfers in	-	-	10,325,338	-	10,325,338
Transfers out	(6,934,077)	(1,366,787)	-	(2,024,474)	(10,325,338)
TOTAL OTHER FINANCING SOURCES (USES)	(6,714,641)	(1,366,787)	16,194,840	(2,024,474)	6,088,938
NET CHANGE IN FUND BALANCE	(6,510,633)	53,690	1,914,092	(1,232,307)	(5,775,158)
FUND BALANCE, JUNE 30, 2024	15,481,971	7,662,414	4,398,887	5,845,037	33,388,309
FUND BALANCE, JUNE 30, 2025	\$ 8,971,338	\$ 7,716,104	\$ 6,312,979	\$ 4,612,730	\$ 27,613,151

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

NET CHANGE IN FUND BALANCES			\$ (5,775,158)
The change in net position reported in the Statement of Activities is different because:			
Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is capitalized. Their value is allocated over their estimated useful lives and reported as depreciation and amortization expense.			
Capital outlay	15,497,463		
Depreciation and amortization	(1,305,675)		
Disposition of capital assets, net	<u>(3,301,536)</u>	10,890,252	
Government funds report leases and subscriptions for software as expenditures. However in the Statement of Activities the cost of those assets are capitalized and amortized over the life of the asset. Similarly, the cost of the assets are accrued as payables and expensed over the life of the asset. These transactions consist of:			
Lease liability additions	(219,436)		
Lease liability reductions	104,502		
SBITA payable reductions	<u>23,632</u>	(91,302)	
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.			
		<u>1,022,308</u>	
CHANGE IN NET POSITION			<u>\$ 6,046,100</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, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	\$ 7,443,000	\$ 7,443,000	\$ 7,322,187	\$ (120,813)
Federal, state, local grants	224,450	224,450	268,479	44,029
Charges, fees, licenses	2,573,267	2,573,267	2,740,471	167,204
Interest	265,000	265,000	775,909	510,909
Contributions and donations	211,500	211,500	186,258	(25,242)
Miscellaneous	139,686	139,686	141,122	1,436
TOTAL REVENUES	10,856,903	10,856,903	11,434,426	577,523
EXPENDITURES:				
Current:				
Administration	1,825,034	1,920,034	1,831,732	88,302
Marketing & Communications	549,438	549,438	507,512	41,926
Recreation	995,119	995,119	1,038,167	(43,048)
Aquatic Park	1,684,382	1,684,382	1,804,302	(119,920)
Sports	1,372,226	1,372,226	1,300,013	72,213
Social Services	531,277	531,277	459,493	71,784
Nutrition	730,153	730,153	709,155	20,998
Transportation	178,446	178,446	176,935	1,511
Parks & Facility Maintenance	2,678,956	2,678,956	2,480,617	198,339
Trails & Natural Areas	339,750	339,750	284,814	54,936
Planning	666,745	666,745	428,267	238,478
	<u>11,551,526</u>	<u>11,646,526</u>	<u>11,021,007</u>	<u>625,519</u> [A]
Contingency	2,000,000	1,905,000	-	1,905,000 [A]
TOTAL EXPENDITURES	13,551,526	13,551,526	11,021,007	2,530,519
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>(2,694,623)</u>	<u>(2,694,623)</u>	<u>413,419</u>	<u>3,108,042</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	557,732	271,780	16,446	(255,334)
Transfers out	(700,045)	(7,665,750)	(6,934,077)	731,673 [A]
TOTAL OTHER FINANCING				
SOURCES (USES)	<u>(142,313)</u>	<u>(7,393,970)</u>	<u>(6,917,631)</u>	<u>476,339</u>
NET CHANGE IN FUND BALANCE	<u>(2,836,936)</u>	<u>(10,088,593)</u>	<u>(6,504,212)</u>	<u>3,584,381</u>
FUND BALANCE, JUNE 30, 2024	<u>6,409,721</u>	<u>13,661,378</u>	<u>15,439,044</u>	<u>1,777,666</u>
FUND BALANCE, JUNE 30, 2025	<u>\$ 3,572,785</u>	<u>\$ 3,572,785</u>	<u>\$ 8,934,832</u>	<u>\$ 5,362,047</u>
ADJUSTMENT TO ACCOUNTING PRINCIPLES				
GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (U.S. GAAP BASIS):				
Property taxes susceptible to accrual recognized as revenue on the U.S. GAAP basis			\$ 36,506	
FUND BALANCE (U.S. GAAP BASIS) - June 30, 2025			<u>\$ 8,971,338</u>	
Revenue/Other Financing Sources reconciliation:				
Revenues, budgetary basis			\$ 11,434,426	
Property tax accrual adjustment (U.S. GAAP basis)			(6,421)	
Interfund services provided (U.S. GAAP Basis)			16,446	
Revenues (U.S. GAAP Basis)			<u>\$ 11,444,451</u>	
Other financing sources (uses), budgetary basis			\$ (6,917,631)	
Issuance of long-term debt - leases			\$ 219,436	
Interfund services provided			(16,446)	
Other financing sources (uses) (U.S. GAAP Basis)			<u>\$ (6,714,641)</u>	

[A] Appropriations level

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 1 FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Licenses and permits	\$ 356,000	\$ 356,000	\$ 1,050,821	\$ 694,821
Miscellaneous	4,160	4,160	1,866	(2,294)
Interest	273,000	273,000	383,328	110,328
TOTAL REVENUES	633,160	633,160	1,436,015	802,855
EXPENDITURES:				
Current:				
Materials and services	12,350	20,000	11,416	8,584
Contingency	2,500,000	1,567,828	-	1,567,828
TOTAL EXPENDITURES	2,512,350	1,587,828	11,416	1,576,412
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,879,190)	(954,668)	1,424,599	2,379,267
OTHER FINANCING (USES):				
Transfers out	(1,927,736)	(3,727,258)	(1,370,909)	2,356,349
NET CHANGE IN FUND BALANCE	(3,806,926)	(4,681,926)	53,690	4,735,616
FUND BALANCE, JUNE 30, 2024	6,755,649	7,630,649	7,662,414	31,765
FUND BALANCE, JUNE 30, 2025	\$ 2,948,723	\$ 2,948,723	\$ 7,716,104	\$ 4,767,381

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 11,416
Interfund services (U.S. GAAP Basis)	4,122
Expenditures (U.S. GAAP Basis)	<u>\$ 15,538</u>
Other financing uses, budgetary basis	\$ (1,370,909)
Interfund services	4,122
Other financing uses (U.S. GAAP Basis)	<u>\$ (1,366,787)</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, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District

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

Basis of Presentation, Measurement Focus, and Basis of Accounting

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation, Measurement Focus, and Basis of Accounting

Fund Financial Statements

The District reports the following major funds:

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

The System Development Charges Zone 1 Fund is a special revenue fund, accounting for the system development fees on new residential and commercial development in Zone 1 of the District. The fund's resources are transferred to the Capital Projects Fund on a reimbursement basis for construction of specific capital projects located within Zone 1's boundaries or if designated as a district-wide resource, funds can be used outside the boundary.

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

The District reports the following fund types:

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

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

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation, Measurement Focus, and Basis of Accounting

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

Fund Balances

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

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

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

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

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

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balances

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

Fund balances by classification for the year ended June 30, 2025 were as follows:

	General Fund	System Development Charges Zone 1 Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable:					
Prepays	\$ 5,028	\$ -	\$ -	\$ -	\$ 5,028
Restricted for:					
Acquisition and development	-	7,716,104	527,883	4,612,730	12,856,717
Assigned to:					
Acquisition and development	-	-	5,785,096	-	5,785,096
Unassigned:	8,966,310	-	-	-	8,966,310
Total fund balances	<u>\$ 8,971,338</u>	<u>\$ 7,716,104</u>	<u>\$ 6,312,979</u>	<u>\$ 4,612,730</u>	<u>\$ 27,613,151</u>

Use of Estimates

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

Cash and Investments

ORS 294.035 authorizes the District to invest in general obligations of the United States and its agencies, debt obligations of the state of Oregon, California, Idaho, and Washington and their political subdivisions, banker's acceptances, corporate indebtedness, commercial paper, repurchase agreements, time certificates of deposit, fixed or variable life insurance contracts, and the State Treasurer's Local Government Investment Pool (LGIP). Cash and investments comprise funds held and invested by the County Treasurer and the LGIP. Authority to manage the investment program is granted to the publicly elected County Treasurer, and the District may not engage in an investment transaction without approval of the Treasurer. All bank deposits shall be held in qualified Oregon depositories in accordance with ORS Chapter 295. Financial information required by Governmental Accounting Standards Board Statements (GASB) No. 3, No. 31, No. 40, and No. 72 regarding the accounting and financial reporting for the District's pooled cash and investments, held by the County Treasurer, has been disclosed in the County's Annual Comprehensive Financial Report for the year ended June 30, 2025.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Receivables

All property taxes, accounts and grants receivables are shown net of an allowance for uncollectible accounts. As of June 30, 2025, the District believes all accounts receivable are fully collectible and an allowance for uncollectible accounts is not warranted.

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.

Prepays

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

Deferred Outflows/Inflows of Resources

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

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

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The District defines capital assets as assets with an initial cost of \$10,000 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 and improvements – 20 to 50 years, equipment and furnishings – 5 to 15 years, and vehicles – 5 to 10 years.

Lease Assets

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subscription Based Software Assets

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

Pension Plan

The District's personnel are employees of the County. The County is a participating employer in the Oregon Public Employee Retirement System (PERS), a cost-sharing multiple employer defined benefit pension plan administered under ORS 238, Chapter 23A, and Internal Revenue Service 401(a). PERS prepares their financial statements in accordance with GASB Statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits are recognized in the month they are earned, and withdrawals are recognized in the month they are due and payable. The County general fund typically liquidates pension liabilities. Investments are recognized at fair value, the amount at which financial instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. PERS issues a publicly available financial report that can be obtained at: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>. The District is paying for contracted services from the County that includes the amount to cover employee benefits. Since District personnel are employees of the County, the District has no obligation for related personnel expense accruals not currently reimbursed through the contracted rate.

Lease and Software Subscription Payable

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

New Accounting Pronouncements

GASB Statement No. 101 – Compensated Absences and *GASB Statement No. 102 – Certain Risk Disclosures* became effective for fiscal year 2024-2025. The District's implementation of these new accounting pronouncements had no effect to the financial statements.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY [BUDGET]

A budget is prepared and legally adopted for all funds on the modified accrual basis of accounting, except for property taxes in the General Fund which are budgeted on the cash basis. The budget is adopted by the Board, appropriations made and the tax levy is declared no later than June 30. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. During 2025, the Board changed the General Fund's appropriation level from program level to object level. The other funds continue using object level for appropriations. The level of control over appropriations is established by resolution with the following object classifications: materials and services (including contractual payments), special payments, capital outlay, debt service, operating contingency and operating transfers. The detailed budget document, however, is required to contain more specific, detailed information for the above-mentioned.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY [BUDGET]

expenditure categories. The budget is adopted on a modified accrual basis with the exception of the following:

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

Management may make transfers of appropriations within object levels, however transfers of appropriations between object levels require the approval of the Board. Unexpected additional resources may be added to the budget through the use of a supplemental budget. The Board, at a regular Board meeting, may adopt supplemental budgets less than 10% of the fund's original budget. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between object levels and require approval by the Board. The Board approved one supplemental budget resolution of more than 10% for an increase of \$13,200,256. Appropriations lapse as of fiscal year-end.

3. CASH AND INVESTMENTS

Cash and investments are comprised of the following:

Petty cash/change fund	\$ 3,560
Cash and cash equivalents with the County Treasurer	452,351
State of Oregon Treasurer's Local Government Investment Pool	<u>28,580,177</u>
	<u><u>\$ 29,036,088</u></u>

At June 30, 2025, the County also reported \$586,401 of cash held with fiscal agent. This amount will be used by the fiscal agent to fund a retainage liability.

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

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

3. CASH AND INVESTMENTS

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

State statutes authorize the District to invest in general obligations of the U.S. Government and in its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements and bankers' acceptances, among others. Reference should be made to the June 30, 2025 Annual Comprehensive Financial Report of Clackamas County for compliance with these statutes.

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

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025, are as follows:

	General Fund	System Development Charges Zone 1 Fund	Capital Projects Fund	Total
Accounts receivable				
Charges for services	\$ 30,371	\$ 21,432	\$ 20	\$ 51,823
Less: allowance for uncollectibles	-	-	-	-
Net total accounts receivable	<u>\$ 30,371</u>	<u>\$ 21,432</u>	<u>\$ 20</u>	<u>\$ 51,823</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Increases	Deletions	Balance June 30, 2025
Capital assets not being depreciated/ amortized:				
Land	\$ 12,708,765	\$ 3,394,743	\$ (2,260,717)	\$ 13,842,791
Construction in progress	5,594,881	11,731,818	-	17,326,699
Total capital assets not being depreciated/amortized	18,303,646	15,126,561	(2,260,717)	31,169,490
Capital assets being depreciated/ amortized:				
Buildings	13,078,455	-	(809,282)	12,269,173
Office equipment	1,414,603	10,979	(12,614)	1,412,968
Improvements	20,551,032	-	(596,199)	19,954,833
Vehicles	718,202	140,487	-	858,689
Office space lease	341,951	219,436	-	561,387
Software	118,965	-	-	118,965
Total capital assets being depreciated/amortized	36,223,208	370,902	(1,418,095)	35,176,015
Less accumulated depreciation/ amortization for:				
Buildings	(11,938,538)	(113,827)	337,201	(11,715,164)
Office equipment	(1,060,315)	(71,856)	11,353	(1,120,818)
Improvements	(10,959,371)	(955,917)	28,722	(11,886,566)
Vehicles	(588,026)	(28,806)	-	(616,832)
Office space lease	(285,276)	(112,455)	-	(397,731)
Software	(45,628)	(22,814)	-	(68,442)
Total accumulated depreciation/ amortization	(24,877,154)	(1,305,675)	377,276	(25,805,553)
Total capital assets being depreciated/amortized, net	11,346,054	(934,773)	(1,040,819)	9,370,462
Total capital assets, net	\$ 29,649,700	\$ 14,191,788	\$ (3,301,536)	\$ 40,539,952

Depreciation and amortization expense was charged as follows:

Culture, education and recreation	\$ 718,121
Health and welfare	587,554
	<u>\$ 1,305,675</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

6. TRANSFERS TO/FROM OTHER FUNDS

The District transfers resources to the Capital Projects Fund to accumulate resources for future capital acquisition. Transfers to/from other funds for the year ended June 30, 2025, consisted of the following:

	<u>Capital Projects Fund</u>
Transfers from:	
General Fund	\$ 6,934,077
System Development	
Charges Zone 1	1,366,787
Other Governmental	
Funds	2,024,474
Total	<u>\$ 10,325,338</u>

7. RISK MANAGEMENT

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

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

8. TAX ABATEMENTS

The District has entered into no tax abatement programs. There is one tax abatement program entered into by another government reducing the District's property tax revenues for the year ended June 30, 2025.

Enterprise Zone:

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

8. TAX ABATEMENTS

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Fiscal Year 2025</u>
Enterprise Zone	\$ 5,090

9. LEASES

The District entered into one lease agreement as a lessee for office space beginning July 1, 2021, and during 2025 the lease was extended two additional years through December 31, 2026. The asset is included in Note 5 as an office space lease.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Office space lease; interest at 0.165% monthly payments of principal and interest of \$9,171	<u>\$ 50,664</u>	<u>\$ 219,436</u>	<u>\$ (104,502)</u>	<u>\$ 165,598</u>

Future maturities are as follows:

Lease Payable Future:	<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
	2026	\$ 109,861	\$ 191
	2027	55,737	27
		<u>\$ 165,598</u>	<u>\$ 218</u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA)

The District entered into one SBITA for a software subscription beginning July 1, 2022. The asset is included in Note 5 as intangible software. Transactions are as follows:

	Original Amount	Beginning Balance	Additions	Deletions	Ending Balance
Software subscription; interest at 1.894% annual payments of principal and interest of \$25,000	\$ 118,965	\$ 72,245	\$ -	\$ (23,632)	\$ 48,613
Subscription Payable Future:	Fiscal Year Ending		Principal	Interest	
	June 30,				
	2026		\$ 24,079	921	
	2027		24,534	465	
			\$ 48,613	\$ 1,386	

11. RELATED-PARTY TRANSACTIONS

Internal County Service departments allocate their expenses to all County departments including the District. Allocated county services include administrative, accounting, risk management, human resource management, technology services, public and government affairs, records management, and other professional services. Costs are based on historical actual costs and allocated based on an activity-based costing methodology. Personnel of the District are considered employees of the County, and the labor and fringe benefit costs are transferred back to the County. Labor and fringe benefits are based on actual costs. Allocated expenses and labor and fringe costs totaling \$9,107,851 were paid to various County departments. The District owed the County a net of \$585,594 as of June 30, 2025.

12. COMMITMENTS AND CONTINGENCIES

The District has commitments under various contracts for \$2,898,660 at June 30, 2025.

13. CREDIT FOR FIELD AND FACILITY USE

On September 26, 2024, the Board approved a plan to sell the District's Wichita Center to the North Clackamas School District, and as a result of that sale the District received a \$1,000,000 credit for future field and District recreational programming. During 2025, the District utilized \$86,565 of the credit, and the remaining credit balance was \$913,435 at June 30, 2025.

SUPPLEMENTARY INFORMATION

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2025

	System Development Charges Zone 2 Fund	System Development Charges Zone 3 Fund	Total
ASSETS			
Due from Clackamas County	\$ 13,937	\$ 4,981	\$ 18,918
Restricted cash and investments	2,380,202	2,213,610	4,593,812
TOTAL ASSETS	<u>\$ 2,394,139</u>	<u>\$ 2,218,591</u>	<u>\$ 4,612,730</u>
FUND BALANCES			
Restricted	\$ 2,394,139	\$ 2,218,591	\$ 4,612,730
TOTAL FUND BALANCES	<u>2,394,139</u>	<u>2,218,591</u>	<u>4,612,730</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,394,139</u>	<u>\$ 2,218,591</u>	<u>\$ 4,612,730</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, 2025

	System Development Charges Zone 2 Fund	System Development Charges Zone 3 Fund	Total
REVENUES:			
Licenses and permits	\$ 392,619	\$ 160,591	\$ 553,210
Interest	133,777	126,348	260,125
Miscellaneous	8,007	3,277	11,284
TOTAL REVENUES	534,403	290,216	824,619
EXPENDITURES:			
Current:			
Culture, education and recreation	22,400	10,052	32,452
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	512,003	280,164	792,167
OTHER FINANCING SOURCES (USES):			
Transfers out	(1,091,058)	(933,416)	(2,024,474)
NET CHANGE IN FUND BALANCE	(579,055)	(653,252)	(1,232,307)
FUND BALANCE, JUNE 30, 2024	2,973,194	2,871,843	5,845,037
FUND BALANCE, JUNE 30, 2025	\$ 2,394,139	\$ 2,218,591	\$ 4,612,730

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, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Licenses and permits	\$ 140,000	\$ 140,000	\$ 392,619	\$ 252,619
Miscellaneous	2,680	2,680	8,007	5,327
Interest	22,000	22,000	133,777	111,777
TOTAL REVENUES	164,680	164,680	534,403	369,723
EXPENDITURES:				
Current:				
Materials and services	3,340	20,000	13,325	6,675
Contingency	152,000	152,000	-	152,000
TOTAL EXPENDITURES	155,340	172,000	13,325	158,675
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,340	(7,320)	521,078	528,398
OTHER FINANCING (USES):				
Transfers out	(518,186)	(1,998,634)	(1,100,133)	898,501
NET CHANGE IN FUND BALANCE	(508,846)	(2,005,954)	(579,055)	1,426,899
FUND BALANCE, JUNE 30, 2024	600,488	2,097,596	2,973,194	875,598
FUND BALANCE, JUNE 30, 2025	\$ 91,642	\$ 91,642	\$ 2,394,139	\$ 2,302,497

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 13,325
Interfund services (U.S. GAAP Basis)	9,075
Expenditures (U.S. GAAP Basis)	<u>\$ 22,400</u>
Other financing uses, budgetary basis	\$ (1,100,133)
Interfund services	9,075
Other financing uses (U.S. GAAP Basis)	<u>\$ (1,091,058)</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 3 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Licenses and permits	\$ 78,000	\$ 78,000	\$ 160,591	\$ 82,591
Interest	108,000	108,000	126,348	18,348
Miscellaneous	1,560	1,560	3,277	1,717
TOTAL REVENUES	187,560	187,560	290,216	102,656
EXPENDITURES:				
Current:				
Materials and services	4,800	15,000	6,803	8,197
Contingency	1,000,000	-	-	-
TOTAL EXPENDITURES	1,004,800	15,000	6,803	8,197
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(817,240)	172,560	283,413	110,853
OTHER FINANCING (USES):				
Transfers out	(1,174,793)	(2,291,313)	(936,665)	1,354,648
NET CHANGE IN FUND BALANCE	(1,992,033)	(2,118,753)	(653,252)	1,465,501
FUND BALANCE, JUNE 30, 2024	2,733,537	2,860,257	2,871,843	11,586
FUND BALANCE, JUNE 30, 2025	\$ 741,504	\$ 741,504	\$ 2,218,591	\$ 1,477,087

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 6,803
Interfund services (U.S. GAAP Basis)	3,249
Expenditures (U.S. GAAP Basis)	<u>\$ 10,052</u>
Other financing uses, budgetary basis	\$ (936,665)
Interfund services	3,249
Other financing uses (U.S. GAAP Basis)	<u>\$ (933,416)</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Intergovernmental	\$ 2,900,373	\$ 2,900,373	\$ 642,196	\$ (2,258,177)
Interest	470,000	470,000	321,296	(148,704)
Contributions & donations	-	-	381,000	381,000
TOTAL REVENUES	3,370,373	3,370,373	1,344,492	(2,025,881)
EXPENDITURES:				
Current:				
Materials and services	44,100	44,100	8,023	36,077
Capital outlay	15,913,828	19,928,089	15,617,217	4,310,872
Contingency	1,373,700	1,095,162	-	1,095,162
TOTAL EXPENDITURES	17,331,628	21,067,351	15,625,240	5,442,111
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,961,255)	(17,696,978)	(14,280,748)	3,416,230
OTHER FINANCING SOURCES:				
Transfers in	3,763,028	15,411,175	10,325,338	(5,085,837)
Proceeds from sale of capital assets	-	-	5,869,502	5,869,502
TOTAL OTHER FINANCING SOURCES (USES)	3,763,028	15,411,175	16,194,840	783,665
NET CHANGE IN FUND BALANCE	(10,198,227)	(2,285,803)	1,914,092	4,199,895
FUND BALANCE, JUNE 30, 2024	12,248,406	4,335,982	4,398,887	62,905
FUND BALANCE, JUNE 30, 2025	\$ 2,050,179	\$ 2,050,179	\$ 6,312,979	\$ 4,262,800

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OTHER FINANCIAL SCHEDULE

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2025

Tax Year	Uncollected June 30, 2024	Levy as Extended by Assessor	Discounts Allowed	Interest	Adjustments	Collections	Uncollected June 30, 2025
2024-25	\$ -	\$ 7,565,759	\$ (197,207)	\$ 2,251	\$ (11,293)	\$ (7,214,997)	\$ 144,513
2023-24	136,705		50	4,111	(4,546)	(62,076)	74,244
2022-23	44,918		9	2,838	(822)	(17,152)	29,791
2021-22	24,476		5	4,174	(191)	(17,088)	11,376
2020-21	9,254		1	2,274	(33)	(8,169)	3,327
2019-20	3,748		-	543	(29)	(1,496)	2,766
2018-19 and prior	12,520		-	198	(4)	(1,209)	11,505
	<u>\$ 231,621</u>	<u>\$ 7,565,759</u>	<u>\$ (197,142)</u>	<u>\$ 16,389</u>	<u>\$ (16,918)</u>	<u>\$ (7,322,187)</u>	<u>\$ 277,522</u>

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STATISTICAL INFORMATION

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Statistical Section

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	73-76
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	77-80
<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.	81-84
<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.	85-87
<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.	88-89

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

<u>Fiscal Year Ended June 30,</u>	<u>Net Investment in Capital Assets</u>	<u>Restricted for Debt Service</u>	<u>Restricted for Acquisition and Development</u>	<u>Unrestricted</u>	<u>Total Net Position</u>
2016	\$ 31,573,020	\$ 1,609,806	\$ 12,675,699	\$ 7,948,666	\$ 53,807,191
2017	31,608,504	1,611,355	15,681,999	9,120,486	58,022,344
2018	27,320,530	1,500,000	25,855,807	10,354,456	65,030,793
2019	30,487,718	1,500,000	25,683,555	10,385,006	68,056,279
2020	28,709,906	-	13,288,728	11,471,987	53,470,621
2021	28,193,991	-	14,031,776	12,695,963	54,921,730
2022	27,468,838	-	15,063,360	13,843,641	56,375,839
2023	27,338,767	-	15,131,518	18,256,241	60,726,526
2024	29,442,761	-	14,879,153	18,781,879	63,103,793
2025	38,948,062	-	12,856,717	17,345,114	69,149,893

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Culture, education and recreation	\$ 6,546,071	\$ 6,913,076	\$ 8,198,709	\$ 7,410,746	\$ 7,434,393	\$ 5,632,975	\$ 8,407,030	\$ 9,086,719	\$ 8,026,851	\$ 6,916,765
Health and welfare	2,424,393	2,512,913	1,992,348	2,489,894	2,377,903	3,048,127	1,360,201	1,479,233	4,215,581	5,659,171
Interest on long-term debt/lease payable	369,622	347,982	287,707	128,732	49,448	-	446	336	1,970	1,368
Total expenses	<u>9,340,086</u>	<u>9,773,971</u>	<u>10,478,764</u>	<u>10,029,372</u>	<u>9,861,744</u>	<u>8,681,102</u>	<u>9,767,677</u>	<u>10,566,288</u>	<u>12,244,402</u>	<u>12,577,304</u>
Program Revenues:										
Charges for services:										
Culture, education and recreation	1,643,259	1,705,683	2,013,611	1,920,593	1,343,443	418,720	1,761,858	2,327,384	2,074,420	1,507,259
Health and welfare	490,843	516,216	327,797	450,510	315,128	179,451	755,082	378,877	889,037	1,233,212
Operating grants and contributions:										
Culture, education and recreation	528,012	197,348	357,715	1,147,078	1,130,720	997,473	346,296	2,446,218	599,881	1,144,037
Health and welfare	504,616	509,763	335,348	269,068	269,068	427,488	148,413	1,048,379	257,092	936,031
Capital grants and contributions:										
Culture, education and recreation	3,847,875	3,925,943	2,338,138	2,273,696	2,833,282	1,379,654	1,452,371	758,353	1,893,279	1,985,031
Total program revenues	<u>7,014,605</u>	<u>6,854,953</u>	<u>5,372,609</u>	<u>6,060,945</u>	<u>5,891,641</u>	<u>3,402,786</u>	<u>4,464,020</u>	<u>6,959,211</u>	<u>5,713,709</u>	<u>6,805,570</u>
Net Expense	<u>(2,325,481)</u>	<u>(2,919,018)</u>	<u>(5,106,155)</u>	<u>(3,968,427)</u>	<u>(3,970,103)</u>	<u>(5,278,316)</u>	<u>(5,303,657)</u>	<u>(3,607,077)</u>	<u>(6,530,693)</u>	<u>(5,771,734)</u>
General Revenues:										
Property taxes levied for general purposes	6,548,536	6,870,480	7,199,471	5,917,835	7,839,539	6,466,047	6,613,648	6,900,234	7,128,492	7,368,088
Earnings on investments	108,684	261,026	499,910	949,549	727,519	177,743	141,868	1,056,202	1,778,499	1,740,658
Gain on capital asset disposal	-	-	-	-	-	-	-	-	-	2,567,966
Interagency transfer in	1,859,382	-	-	-	-	-	-	-	-	-
Miscellaneous	3,976	2,665	64,912	126,529	99,500	85,635	2,250	1,328	969	141,122
Total general revenues	<u>8,520,578</u>	<u>7,134,171</u>	<u>7,764,293</u>	<u>6,993,913</u>	<u>8,666,558</u>	<u>6,729,425</u>	<u>6,757,766</u>	<u>7,957,764</u>	<u>8,907,960</u>	<u>11,817,834</u>
Change In Net Position before Special Item	6,195,097	4,215,153	2,658,138	3,025,486	4,696,455	1,451,109	1,454,109	4,350,687	2,377,267	6,046,100
Special Item:										
Gain on capital asset disposal	-	-	4,350,311	-	-	-	-	-	-	-
(Loss) on settlement agreement	-	-	-	-	(19,282,112)	-	-	-	-	-
Total Change In Net Position	<u>6,195,097</u>	<u>4,215,153</u>	<u>7,008,449</u>	<u>3,025,486</u>	<u>(14,585,657)</u>	<u>1,451,109</u>	<u>1,454,109</u>	<u>4,350,687</u>	<u>2,377,267</u>	<u>6,046,100</u>

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

Source: Clackamas County Finance Department

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Nonspendable	\$ 9,636	\$ 14,375	\$ 12,591	\$ 1,615	\$ 2,950	\$ 10,395	\$ 102	\$ 9,477	\$ 24,705	\$ 5,028
Assigned	-	-	-	-	-	-	118,932	-	-	-
Unassigned	4,369,031	4,669,479	5,464,227	5,224,600	6,863,231	8,483,479	10,174,229	14,902,768	15,457,267	8,966,310
Total General Fund	<u>\$ 4,378,667</u>	<u>\$ 4,683,854</u>	<u>\$ 5,476,818</u>	<u>\$ 5,226,215</u>	<u>\$ 6,866,181</u>	<u>\$ 8,493,874</u>	<u>\$10,293,263</u>	<u>\$14,912,245</u>	<u>\$15,481,972</u>	<u>\$ 8,971,338</u>
All Other Governmental Funds:										
Special revenue funds:										
Nonspendable	\$ -	\$ 342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	12,174,247	15,161,252	16,140,167	16,361,472	8,516,570	9,668,542	10,903,099	11,716,682	13,507,451	12,328,834
Assigned	336,917	299,756	275,112	308,916	435,364	618,320	-	-	-	-
Capital project funds:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	501,452	520,747	9,715,640	9,322,083	4,509,765	4,363,234	4,160,261	3,414,836	1,371,702	527,883
Assigned	2,720,531	3,618,905	4,193,490	4,495,571	3,412,561	3,377,147	3,322,019	3,166,020	3,027,185	5,785,096
Debt service funds:										
Restricted	1,609,806	1,611,355	1,500,000	1,500,000	262,393	-	-	-	-	-
Assigned	106,709	121,676	147,027	186,649	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 17,449,662</u>	<u>\$ 21,334,033</u>	<u>\$ 31,971,436</u>	<u>\$32,174,691</u>	<u>\$17,136,653</u>	<u>\$18,027,243</u>	<u>\$18,385,379</u>	<u>\$18,297,538</u>	<u>\$17,906,338</u>	<u>\$18,641,813</u>

Source: Clackamas County Finance Department

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Property taxes	\$ 6,519,506	\$ 6,855,995	\$ 7,324,250	\$ 5,987,708	\$ 7,833,028	\$ 6,475,391	\$ 6,591,911	\$ 6,950,617	\$ 7,117,775	\$ 7,315,766
Charges for services	2,134,102	2,192,332	2,341,408	2,371,103	1,658,571	598,171	2,516,940	2,706,261	2,963,457	2,740,471
Intergovernmental	2,326,650	530,279	505,210	1,207,962	638,808	1,823,799	244,570	8,209	676,857	910,675
Licenses and permits	4,043,707	3,425,942	2,338,138	1,073,696	2,205,769	1,379,654	1,452,371	758,353	1,307,444	1,604,031
Interest	108,685	261,026	499,910	949,549	727,519	177,743	141,868	1,056,202	1,778,499	1,740,658
Contributions and donations	205,978	206,399	187,853	208,184	182,227	150,915	206,085	3,442,317	180,116	567,258
Miscellaneous	3,976	42,050	195,580	220,037	239,421	192,892	46,304	45,399	18,948	170,718
Total revenues	<u>15,342,604</u>	<u>13,514,023</u>	<u>13,392,349</u>	<u>12,018,239</u>	<u>13,485,343</u>	<u>10,798,565</u>	<u>11,200,049</u>	<u>14,967,358</u>	<u>14,043,096</u>	<u>15,049,577</u>
Expenditures:										
Culture and recreation	5,393,315	5,703,417	6,828,034	6,546,014	6,467,811	4,803,234	7,169,713	5,861,151	7,469,242	6,385,531
Health and welfare	2,080,064	2,156,831	1,759,919	2,269,565	2,150,262	2,703,162	1,167,163	3,129,363	3,129,363	4,901,177
Capital outlay	506,611	409,036	1,585,201	2,755,085	1,261,277	773,886	901,144	1,442,371	3,140,964	15,497,463
Debt service:										
Interest	705,000	335,181	298,828	114,925	114,063	-	446	1,819	1,970	1,368
Principal	356,506	720,000	5,530,000	380,000	2,590,000	-	94,228	120,478	123,030	128,134
Total expenditures	<u>9,041,496</u>	<u>9,324,465</u>	<u>16,001,982</u>	<u>12,065,589</u>	<u>12,583,413</u>	<u>8,280,282</u>	<u>9,332,694</u>	<u>10,555,182</u>	<u>13,864,569</u>	<u>26,913,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,301,108</u>	<u>4,189,558</u>	<u>(2,609,633)</u>	<u>(47,350)</u>	<u>901,930</u>	<u>2,518,283</u>	<u>1,867,355</u>	<u>4,412,176</u>	<u>178,527</u>	<u>(11,864,096)</u>
Other Financing Sources:										
Land sale proceeds	-	-	14,040,000	-	-	-	-	-	-	5,869,502
Lease Financing	-	-	-	-	-	-	341,681	118,965	-	219,436
Special Item:										
Settlement agreement	-	-	-	-	(14,300,000)	-	-	-	-	-
Net Change in Fund Balances	<u>6,301,108</u>	<u>4,189,558</u>	<u>11,430,367</u>	<u>(47,350)</u>	<u>(13,398,070)</u>	<u>2,518,283</u>	<u>2,209,036</u>	<u>4,531,141</u>	<u>178,527</u>	<u>(5,775,158)</u>
Debt service as a percentage of noncapital expenditures	12.4%	11.8%	40.4%	5.3%	23.9%	-	1.1%	1.3%	1.2%	1.1%

Source: Clackamas County Finance Department

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

Fiscal Year Ended June 30,	Real Property	Personal Property	Manufactured Structures	Public Utilities	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	True Cash Value	Assessed Value as a Percentage of True Cash Value
2016	\$ 13,370,875,216	\$ 416,757,236	\$ 36,633,306	\$ 296,184,300	\$ 1,495,786,659	\$ 12,624,663,399	\$ 0.54	\$ 15,927,771,309	79.26%
2017	13,994,666,666	436,869,762	40,259,567	310,713,100	1,529,955,330	13,252,553,765	0.53	18,260,306,778	72.58
2018	14,685,919,772	447,170,936	46,090,839	324,431,754	1,561,948,261	13,941,665,040	0.53	20,286,725,848	68.72
2019	12,217,413,194	447,634,113	48,533,384	256,542,100	1,284,664,800	11,685,457,991	0.53	17,843,416,493	65.50
2020	16,146,206,741	499,450,522	54,827,567	308,225,600	1,755,199,374	15,253,511,056	0.53	23,630,114,057	64.55
2021	19,164,218,336	448,201,076	67,163,350	273,988,747	7,296,546,976	12,657,024,533	0.53	19,953,571,509	63.43
2022	20,785,892,540	444,334,269	76,681,940	274,936,465	8,501,495,160	13,080,350,054	0.53	21,581,845,214	60.61
2023	23,931,346,985	459,688,120	97,237,850	286,401,091	11,156,629,358	13,618,044,688	0.53	24,774,674,046	54.97
2024	24,888,823,053	470,528,983	110,098,410	312,099,195	11,671,029,969	14,110,519,672	0.53	25,781,549,641	54.73
2025	25,515,577,345	491,764,499	131,906,240	344,940,734	11,433,787,111	15,050,401,707	0.53	26,484,188,818	56.83

Notes:

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

- For all property within the North Clackamas Parks and Recreation District.

Source: Clackamas County Department of Assessment and Taxation

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

Year	North Clackamas Parks & Recreation District			Overlapping Rates							Total Direct & Overlapping Range
	General Operations	Total Direct Rate	Clackamas County	County Component Units	Cities	Schools	College/ ESD	Fire	Other Special	Total Direct & Overlapping	
2016	\$ 0.54	\$ 0.54	\$ 2.94	\$ 0.78	\$ 1.30	\$ 7.23	\$ 1.10	\$ 2.49	\$ 0.54	\$ 16.92	15.46-20.84
2017	0.53	0.53	2.97	0.84	1.13	7.16	1.09	2.47	0.55	16.74	15.42-20.83
2018	0.53	0.53	2.94	0.82	1.28	7.13	1.09	2.48	0.64	16.91	15.32-20.95
2019	0.53	0.53	3.09	0.97	0.84	7.32	1.10	2.46	0.72	17.04	15.26-21.01
2020	0.53	0.53	2.94	0.83	1.26	4.53	1.08	2.48	0.88	14.53	15.64-22.84
2021	0.53	0.53	3.06	0.99	0.89	4.30	1.10	2.40	0.84	14.11	15.49-22.56
2022	0.53	0.53	3.06	0.99	0.89	4.38	1.07	2.39	0.82	14.12	15.48-22.62
2023	0.53	0.53	3.11	0.97	1.09	4.20	1.15	2.37	0.80	14.22	15.69-22.77
2024	0.53	0.53	3.09	1.19	1.11	8.46	1.15	2.82	0.81	19.16	16.23-23.31
2025	0.52	0.52	3.07	1.22	1.07	8.54	1.13	2.85	0.81	19.22	17.38-22.00

Notes:

-Rates are a summary for all Tax Code Areas where North Clackamas Parks and Recreation District taxes are assessed from the Tax District Summary found on the Clackamas County website under the Department of Assessment and Taxation.

-Direct Rate is the actual rate charged to each property that falls within the boundaries of the North Clackamas Parks and Recreation District.

-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.

-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, 2025 AND NINE YEARS AGO

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Portland General Electric	\$ 1,301,131,000	1	1.97 %	\$ 693,695,000	1	1.57 %
General Growth Properties Inc.	313,648,398	2	0.47	240,171,889	3	0.54
PCC Structurals Inc.	307,793,793	3	0.47	128,910,260	7	0.29
Northwest Natural Gas Co.	296,231,000	4	0.45	189,266,800	5	0.43
Fred Meyer Stores	292,429,308	5	0.44	183,670,340	6	0.41
Shorenstein Properties LLC	226,892,482	6	0.34	276,494,593	2	0.62
Comcast Corporation	141,617,979	7	0.21	202,848,600	4	0.46
ROIC Oregon LLC	99,909,731	8	0.15			
Meadows Road LLC	85,687,536	9	0.13			
Twist Bioscience	82,807,167	10	0.13			
Xerox Corp				85,764,760	8	0.19
Marvin F. Poer & Company				72,296,670	9	0.16
Blount Inc				68,966,058	10	0.16
Total	<u>\$ 3,148,148,394</u>		<u>4.76 %</u>	<u>\$ 2,142,084,970</u>		<u>4.83 %</u>

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
2016	6,707,093	6,381,404	95.1	141,203	6,522,607	97.2 %
2017	7,048,958	6,721,214	95.4	126,127	6,847,341	97.1
2018	7,398,202	7,046,634	95.2	138,061	7,184,696	97.1
2019	6,151,624	5,884,693	95.6	92,426	5,977,119	97.2
2020	8,057,767	7,702,870	95.6	132,685	7,835,555	97.2
2021	6,640,657	6,357,340	95.7	100,233	6,457,572	97.2
2022	6,846,117	6,511,527	95.1	123,878	6,635,405	96.9
2023	7,102,857	6,801,542	95.8	77,067	6,878,609	96.8
2024	7,329,218	6,984,148	95.3	64,077	7,048,225	96.2
2025	7,565,759	7,214,997	95.4	-	7,214,997	95.4

Source: Clackamas County Department of Assessment and Taxation

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Full Faith & Credit Obligations Series 2008 Bonds	Full Faith & Credit Obligations Series 2010 Bonds	Lease	Software Subscription			
2016	\$ 5,535,513	\$ 3,786,673	\$ -	\$ -	\$ 9,322,186	0.15 %	\$ 76.01
2017	5,169,613	3,421,000	-	-	8,590,613	0.12	70.05
2018	-	3,040,327	-	-	3,040,327	0.04	24.92
2019	-	2,649,654	-	-	2,649,654	0.04	21.72
2020	-	-	-	-	-	N/A	-
2021	-	-	-	-	-	N/A	-
2022	-	-	247,453	-	247,453	N/A	2.36
2023	-	-	150,492	95,448	245,940	0.003	2.32
2024	-	-	50,664	72,246	122,910	N/A	1.15
2025	-	-	165,598	48,613	214,211	N/A	2.00

Source: Clackamas County Finance Department

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

Fiscal Year	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
2016	\$ 9,322,186	\$ 9,322,186	\$ (109,806)	\$ 9,212,380	0.07 %	\$ 75.11
2017	8,590,613	8,590,613	(111,355)	8,479,258	0.06	69.14
2018	2,649,654	2,649,654	-	2,649,654	0.02	24.92
2019	2,649,654	2,649,654	-	2,649,654	0.02	21.72
2020	-	-	-	-	0.00	-
2021	-	-	-	-	0.00	-
2022	-	-	-	-	0.00	-
2023	-	-	-	-	0.00	-
2024	-	-	-	-	0.00	-
2025	-	-	-	-	0.00	-

Source: Clackamas County Finance Department

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
City of Happy Valley	\$ -	0.25	-
City of Milwaukie	51,835,287	99.27	51,454,660
Clackamas Community College	232,085,031	29.75	69,052,027
Clackamas County	88,689,500	21.70	19,247,750
Clackamas County Education Service District	26,816,648	22.58	6,054,073
Clackamas County Rural Fire Protection District #1	19,634,532	48.44	9,511,713
Clackamas County School District #115 (Gladstone)	16,001,933	5.43	869,145
Clackamas County School District #12 (North Clackamas)	576,755,981	74.91	432,023,105
Clackamas County School District #62 (Oregon City)	411,515,969	8.02	33,010,165
Clackamas Soil & Water Conservation	4,643,000	21.70	1,007,642
Metro	904,080,000	5.93	53,646,299
Oak Lodge Water Service District	204,000	98.21	200,355
Port of Portland	-	5.38	-
Other debt:			
City of Happy Valley	12,765,000	0.25	3,191,250
City of Milwaukie	1,205,000	99.27	1,196,204
Clackamas Community College	11,145,000	29.75	3,315,638
Clackamas County Rural Fire Protection District #1	5,740,000	48.44	2,780,456
Clackamas County School District #12 (North Clackamas)	728,568	74.91	545,770
Clackamas County School District #62 (Oregon City)	48,041	8.02	3,853
Metro	6,495,000	5.93	385,154
Oak Lodge Water Services District	2,408,307	98.21	2,365,198
Port of Portland	24,170,000	5.38	1,300,346
Subtotal overlapping debt			691,160,802
District direct debt			<u>214,382</u>
Total direct and overlapping debt			<u><u>\$ 691,375,184</u></u>

Note:

-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
2016	\$ 15,927,771,309	13	\$ 2,070,610,270	\$ 9,322,186	\$ 2,061,288,084	0.45 %
2017	18,260,306,778	13	2,373,839,881	8,590,613	2,365,249,268	0.36
2018	20,286,725,848	13	2,637,274,360	3,040,327	2,634,624,706	0.10
2019	17,843,416,493	13	2,319,644,144	2,649,654	2,316,994,490	0.11
2020	23,630,114,057	13	3,071,914,827	-	3,071,914,827	0.00
2021	19,953,571,509	13	2,593,964,296	-	2,593,716,843	0.01
2022	21,581,845,214	13	2,805,639,878	247,453	2,805,393,938	0.01
2023	24,774,674,046	13	3,220,707,626	245,940	3,220,584,716	0.00
2024	25,781,549,641	13	3,351,601,453	122,910	3,351,386,972	0.01
2025	26,484,188,818	13	3,442,944,546	214,382	3,442,730,164	0.01

Note:

-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]

Source: Clackamas County Finance Department

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Clackamas County Unemployment Rate</u>
2016	122,652	6,301,737	51,379	4.7 %
2017	122,642	6,900,820	56,268	3.9
2018	122,000	7,150,176	58,608	3.7
2019	122,000	7,530,572	61,726	3.9
2020	105,000	6,803,055	64,791	5.8
2021	105,000	7,524,930	71,666	6.9
2022	105,000	7,678,545	73,129	3.8
2023	106,000	7,579,424	71,504	3.9
2024	106,739	N/A	N/A	3.9
2025	107,349	N/A	N/A	4.1

Sources:

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

N/A: Not available

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
PRINCIPAL EMPLOYERS (1)
JUNE 30, 2025 AND NINE YEARS AGO

Employer	2025			2016		
	Employees	Rank	Percentage of Total ⁽²⁾	Employees	Rank	Percentage of Total ⁽²⁾
Intel Corp.	23,192	1	.02 %	23,100	1	.02 %
Oregon Health & Sciences University	20,917	2	.02	19,603	3	.02
Providence Health & Services	20,700	3	.02	22,328	2	.02
Kaiser Permanente	13,086	4	.01	15,522	4	.01
Nike Inc.	10,700	5	.01	9,000	7	.01
Fred Meyer	9,000	6	.01	13,087	5	.01
Portland Public Schools	7,638	7	.01	7,111	8	.01
City of Portland	6,631	8	.01	6,753	10	.01
Multnomah County	5,626	9	.00	6,317	9	.01
Beaverton School District	5,432	10	.00			
Legacy Health				12,514	6	.01
Total	122,922		0.11 %	135,335		0.13 %

Sources:

(1) Statistics are the latest available data published in the Portland Business Journal *Book of Lists 2025*, and *Book of Lists 2016*. The Business Journal Book of Lists ranks Portland Metropolitan Area employers.

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

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

<u>Year Ended June 30,</u>	<u>Health and Welfare</u>	<u>Culture and Recreation</u>	<u>Total</u>
2016	8.41	24.02	32.43
2017	8.36	25.46	33.82
2018	7.34	28.36	35.70
2019	7.46	26.24	33.70
2020	7.46	27.93	35.39
2021	7.51	27.88	35.39
2022	5.68	30.11	35.79
2023	6.32	32.47	38.79
2024	6.35	35.44	41.79
2025	5.57	36.22	41.79

Note:

-Reported full-time equivalent employees are the budgeted employees at each year-end.

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Health and welfare:										
Social service units provided	8,216	7,967	8,996	8,890	5,680	4,250	5,280	7,852	3,761	5,973
Meals on Wheels and on-site meals served	70,341	67,256	76,515	67,006	72,298	72,060	74,058	75,975	80,217	70,780
One way rides, older adults and disabled	9,678	8,357	9,887	8,570	5,794	-	3,910	5,007	5,582	6,013
Culture and recreation:										
Recreation programs	58	65	61	71	63	27	48	47	36	51
Recreation class participants	2,580	3,500	3,492	3,913	3,263	926	2,294	2,781	2,320	3,141
Recreation classes	234	238	217	271	195	101	192	215	195	179
Swim lesson participants	4,739	4,991	4,421	4,678	3,611	-	2,202	2,783	3,134	3,316
Aquatic park total customers served	243,907	233,955	235,647	228,350	146,279	14,464	116,124	162,352	171,547	167,414

Note:

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

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

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

Function	Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Health and welfare:										
Milwaukie Center (serving senior and disabled citizens)										
Activity Rooms	9	9	9	9	9	9	9	9	9	9
Congregate dining room & café	2	2	2	2	2	2	2	2	2	2
Transportation vehicles (14, 16 & 20 passenger)	4	4	4	4	4	4	4	4	4	4
Culture and recreation:										
Acreage-maintained	501	520	527	640	358	358	276	276	250	253
Parks maintained	63	64	64	64	60	60	58	58	34	51
Play structures	33	33	36	37	32	32	31	31	32	33
Maintenance vehicles/equipment	33	35	35	35	35	35	36	36	36	36
Passenger van (Recremobile)	1	1	1	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
Sports fields:										
Baseball	11	13	14	14	14	14	10	10	5	5
Soccer	6	6	8	8	8	8	7	7	3	3
Tennis courts	3	3	3	3	3	3	3	3	3	3
Basketball	17	17	19	19	16	19	19	19	15	14
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Sports programs	75	70	21	24	31	14	23	36	38	24
Sports program participants	6,769	6,890	5,885	5,952	5,126	962	3,916	5,555	5,376	4,287
Sports courses offered during the year	118	87	94	98	70	49	98	106	94	67

Notes:

-Starting in 2018, a number of youth and adult programs are now reported as individual programs, not a total number of offerings for each program, as reported in prior years.

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

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons of the General Fund and System Development Charges Zone 1 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Ashley Oster".

Portland, Oregon
November 12, 2025

REPORT OF INDEPENDENT AUDITORS REQUIRED BY OREGON STATE REGULATIONS

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Report of Independent Auditors Required by Oregon State Regulations

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons of the General Fund and System Development Charges Zone 1 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 2025.

Compliance

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

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

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

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

Internal Control Over Financial Reporting

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

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

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

Purpose of this Report

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

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



Ashley Osten, Principal, for
Baker Tilly US, LLP
Portland, Oregon
November 12, 2025