

NORTHERN WASCO COUNTY PARK
AND RECREATION DISTRICT
THE DALLES, OREGON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT

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NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT

THE DALLES, OREGON

FOR THE YEAR ENDED JUNE 30, 2022

BOARD OF DIRECTORS

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Tracy Dugick	President	6-30-2023
Rachel Carter	Director	6-30-2025
Brewster Whitmire	Vice President	6-30-2023
Ellen Woods	Director	6-30-2025
Annette Byers	Secretary	6-30-2025

ADMINISTRATIVE STAFF

Scott Baker	Executive Director
Kailynn Elliott	Administrative Assistant

REGISTERED AGENT AND OFFICE

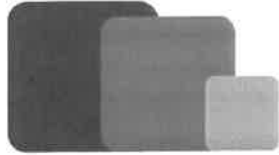
Peachey, Davies, & Myers, P.C.		
Thomas C. Peachey	P.O. Box 2190	Attorney

INSURANCE AGENT

PayneWest Insurance	850 SW 4 th St Madras, OR 97741	Insurance Agent of Record
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All other addresses are 602 W 2nd St. The Dalles, Oregon 97058

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Northern Wasco County Park and Recreation District
The Dalles, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Northern Wasco County Park and Recreation District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Northern Wasco County Park and Recreation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Northern Wasco County Park and Recreation District, as of June 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Northern Wasco County Park and Recreation 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.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 generally accepted 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 generally accepted 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 Northern Wasco County Park and Recreation 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 Northern Wasco County Park and Recreation 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northern Wasco County Park and Recreation District's basic financial statements. The budgetary basis fund financial statements are presented for purposes of additional analysis and are 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 budgetary basis fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

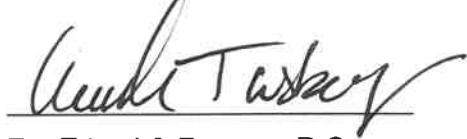
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 4, 2022 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Friend & Reagan, P.C.
The Dalles, Oregon 97058
November 4, 2022

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT

STATEMENT OF NET POSITION

MODIFIED CASH BASIS

JUNE 30, 2022

(all amounts are in dollars)

	<u>Primary Government Governmental Activities</u>
<u>ASSETS:</u>	
Cash and Investments	2,072,608
Capital Assets	
Depreciable (Net of Accumulated Depreciation)	4,729,654
Non Depreciable	<u>1,332,147</u>
TOTAL ASSETS	<u>8,134,409</u>
<u>LIABILITIES:</u>	
Current Liabilities	
Payroll taxes withheld	1,423
Noncurrent Liabilities	
Due in one year	281,811
Due in more than one year	<u>2,074,630</u>
TOTAL LIABILITIES	<u>2,357,864</u>
<u>NET POSITION:</u>	
Net Investment in Capital Assets	3,705,360
Restricted for Debt Service	322,270
Unrestricted	<u>1,748,915</u>
<u>TOTAL NET POSITION</u>	<u><u>5,776,545</u></u>

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT

STATEMENT OF ACTIVITIES

MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2022

(all amounts are in dollars)

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION</u>
		<u>FEES, FINES AND CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>TOTAL GOVERNMENTAL ACTIVITIES</u>
Culture and Recreation	1,360,182	715,872	17,250	15,170	(611,890)
Interest	117,696	-	-	-	(117,696)
<u>TOTAL GOVERNMENTAL ACTIVITIES:</u>	<u>1,477,878</u>	<u>715,872</u>	<u>17,250</u>	<u>15,170</u>	<u>(729,586)</u>

General Revenues:

Property Taxes, levied for general purposes	1,363,438
Interest and investment earnings	14,735
Miscellaneous	1,099
Total General Revenues	<u>1,379,272</u>

Change in net assets 649,686

Net Position, Beginning 5,126,859

Net Position, Ending 5,776,545

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

JUNE 30, 2022

(all amounts are in dollars)

	<u>GENERAL FUND</u>	<u>SYSTEM DEVELOPMENT CHARGE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS:</u>				
Cash and Investments	1,093,787	656,551	322,270	2,072,608
<u>TOTAL ASSETS</u>	<u>1,093,787</u>	<u>656,551</u>	<u>322,270</u>	<u>2,072,608</u>
 <u>LIABILITIES:</u>				
Payroll Taxes Withheld	1,423	-	-	1,423
<u>TOTAL LIABILITIES</u>	<u>1,423</u>	<u>-</u>	<u>-</u>	<u>1,423</u>
 <u>FUND BALANCE:</u>				
Restricted For:				
Debt Service	-	-	322,270	322,270
Committed To:				
System Development	-	656,551	-	656,551
Unassigned:	1,092,364	-	-	1,092,364
<u>TOTAL FUND BALANCE</u>	<u>1,092,364</u>	<u>656,551</u>	<u>322,270</u>	<u>2,071,185</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>1,093,787</u>	 <u>656,551</u>	 <u>322,270</u>	 <u>2,072,608</u>

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT

Reconciliation of Balance Sheet to Statement of Net Position

JUNE 30, 2022

(all amounts are in dollars)

Fund Balances - Governmental Funds	2,071,185
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets:

Land	1,332,147	
Depreciable Assets	7,540,834	
Less accumulated depreciation	<u>(2,811,180)</u>	<u>6,061,801</u>

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position:

Long Term Borrowing	(181,987)	
Capital Leases Payable	(53,200)	
Bonds Payable	(2,065,000)	
Discounts/Premiums on Bonds	<u>(56,254)</u>	<u>(2,356,441)</u>

Net Position of Governmental Activities	<u><u>5,776,545</u></u>
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(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2022

(all amounts are in dollars)

	<u>GENERAL</u>	<u>SYSTEM DEVELOPMENT CHARGE</u>	<u>DEBT SERVICE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>REVENUES:</u>	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	
Property Taxes	915,120	-	448,318	1,363,438
Grants and Donations	32,420	-	-	32,420
Charges for Services	476,036	239,836	-	715,872
Interest and Investment Income	4,573	56	31	4,660
Miscellaneous	1,099	-	-	1,099
<u>TOTAL REVENUES</u>	<u>1,429,248</u>	<u>239,892</u>	<u>448,349</u>	<u>2,117,488</u>
 <u>EXPENDITURES:</u>				
Current:				
Culture and Recreation	1,082,144	76,804	-	1,158,948
Capital Outlay	8,500	74,619	-	83,119
Debt Service:				
Principal Payments	26,377	-	240,000	266,377
Interest Payments & Related Fees	7,664	-	109,615	117,279
<u>TOTAL EXPENDITURES</u>	<u>1,124,685</u>	<u>151,423</u>	<u>349,615</u>	<u>1,625,723</u>
 Net Change in Fund Balances	 304,563	 88,469	 98,734	 491,766
 <u>FUND BALANCE - BEGINNING</u>	 <u>787,801</u>	 <u>568,082</u>	 <u>223,537</u>	 <u>1,579,420</u>
 <u>FUND BALANCE - END OF YEAR</u>	 <u>1,092,364</u>	 <u>656,551</u>	 <u>322,270</u>	 <u>2,071,185</u>

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities

FOR THE YEAR ENDED JUNE 30, 2022
(all amounts are in dollars)

Total Net Change in Fund Balances - Governmental Funds 491,766

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlay as expenditures. However
in the Statement of Activities, the cost of those assets is depreciated over
their estimated useful lives:

Expenditures for Capital Assets	143,071	
Less Current Year Depreciation	<u>(261,185)</u>	<u>(118,114)</u>

Issuance of long term debt provides current financial resources to governmental funds,
while repayment of long-term debt principal consumes current financial resources of
governmental funds. However, neither transaction has any effect on net assets. Also,
governmental funds report the effect of premiums/discounts when debt is first issued,
whereas these amounts are deferred and amortized in the Statement of Activities:

Bond Principal Payment	240,000	
Amortization	10,075	
Capital Lease Payment	7,015	
Long-Term Loan Payment	<u>18,944</u>	<u>276,034</u>

Change in Net Position of Governmental Activities 649,686

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

MAJOR GOVERNMENTAL FUNDS

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

(all amounts are in dollars)

	BUDGETED AMOUNTS		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES:</u>				
<u>ADMINISTRATION:</u>				
Taxes - Current Levy	840,000	840,000	891,608	51,608
Taxes - Prior Years	5,000	5,000	23,512	18,512
Unsegregated Tax Interest	-	-	4,481	4,481
Interest Income	-	-	92	92
Transient Tax	260,000	260,000	317,917	57,917
Enterprise Zone	1	1	15,170	15,169
Sale of Surplus Property	1	1	-	(1)
Miscellaneous	17,000	17,000	1,019	(15,981)
<u>TOTAL ADMINISTRATION</u>	<u>1,122,002</u>	<u>1,122,002</u>	<u>1,253,799</u>	<u>131,797</u>
<u>PARKS:</u>				
Parks Reservation Fees	-	-	960	960
Marina Maintenance Agreement	6,000	6,000	1,800	(4,200)
Miscellaneous Revenue	801	801	80	(721)
Riverfront Trail Maintenance	4,000	4,000	4,000	-
Donations	1	1	17,250	17,249
<u>TOTAL PARKS</u>	<u>10,802</u>	<u>10,802</u>	<u>24,090</u>	<u>13,288</u>
<u>AQUATICS:</u>				
Concessions	6,000	6,000	8,535	2,535
Swim Passes	50,000	50,000	79,639	29,639
Daily Admissions	50,000	50,000	44,133	(5,867)
Swim Lessons	11,000	11,000	7,960	(3,040)
Pool Rentals	8,000	8,000	10,821	2,821
<u>TOTAL AQUATICS</u>	<u>125,000</u>	<u>125,000</u>	<u>151,089</u>	<u>26,089</u>
<u>RECREATION PROGRAMS:</u>				
Sponsorship	500	500	-	(500)
Classes/Program Fees	2,000	2,000	270	(1,730)
Special Events	6,000	6,000	-	(6,000)
Kayak Shack	1	1	-	(1)
<u>TOTAL RECREATION PROGRAMS</u>	<u>8,501</u>	<u>8,501</u>	<u>270</u>	<u>(8,231)</u>
<u>TOTAL REVENUES</u>	<u>1,266,305</u>	<u>1,266,305</u>	<u>1,429,248</u>	<u>162,943</u>

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>EXPENDITURES:</u>				
<u>ADMINISTRATION:</u>				
<u>CURRENT</u>				
<u>PERSONAL SERVICES:</u>				
Wages - Full Time	139,200	139,200	143,469	(4,269)
Workers Comp Ins	25,760	25,760	19,470	6,290
Health Insurance	23,600	23,600	21,374	2,226
PERS	35,100	35,100	35,038	62
Payroll Tax Expense	13,100	13,100	13,792	(692)
<u>TOTAL PERSONAL SERVICES</u>	<u>236,760</u>	<u>236,760</u>	<u>233,143</u>	<u>3,617</u>
<u>MATERIALS AND SERVICES:</u>				
Insurance Liability	15,900	15,900	15,731	169
Insurance Property	24,650	24,650	24,126	524
Insurance Vehicle	5,750	5,750	6,865	(1,115)
Office Supplies	6,000	6,000	5,262	738
Elections/Legal Notice	7,000	7,000	340	6,660
Telephone and Communication	2,500	2,500	2,729	(229)
Conferences	1,800	1,800	-	1,800
Staff Expenses Uniforms	400	400	117	283
Bank Charges	2,300	2,300	3,255	(955)
Financial Services	17,600	17,600	14,903	2,697
Tech Services - Internet/Web Hosting	7,000	7,000	5,584	1,416
Audit	16,000	16,000	13,830	2,170
Legal	18,000	18,000	12,043	5,957
Dues & Subscriptions	4,000	4,000	3,818	182
Travel, Food & Lodging	3,200	3,200	-	3,200
Other Contractual Services	4,500	4,500	-	4,500
Miscellaneous	2,700	2,700	1,152	1,548
Board Expense	1,400	1,400	1,483	(83)
<u>TOTAL MATERIALS AND SERVICES</u>	<u>140,700</u>	<u>140,700</u>	<u>111,237</u>	<u>29,463</u>
<u>DEBT SERVICE:</u>				
Bank Loan - Principal Long Term	19,000	19,000	18,944	56
Capital Lease	7,500	7,500	7,433	67
Bank Loan - Interest and Fees Long Term	9,000	9,000	7,664	1,336
<u>TOTAL DEBT SERVICE</u>	<u>35,500</u>	<u>35,500</u>	<u>34,040</u>	<u>1,460</u>
<u>TOTAL ADMINISTRATION EXPENDITURES</u>	<u>412,960</u>	<u>412,960</u>	<u>378,420</u>	<u>34,540</u>

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
(all amounts are in dollars)

	BUDGETED AMOUNTS		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>PARKS:</u>				
CURRENT				
<u>PERSONAL SERVICES:</u>				
Wages - Full Time	1	1	-	1
Wages - Part Time	210,000	210,000	209,303	697
Accrued Vacation Payout	2,000	2,000	-	2,000
PERS	44,000	44,000	42,407	1,593
Payroll Tax Expense	19,800	19,800	19,172	628
<u>TOTAL PERSONAL SERVICES</u>	<u>275,801</u>	<u>275,801</u>	<u>270,882</u>	<u>4,919</u>
<u>MATERIALS AND SERVICES:</u>				
Training and Conferences	900	900	-	900
Staff Expenses - Uniforms	1,500	1,500	1,595	(95)
Gas, Oil and Diesel	14,000	14,000	16,534	(2,534)
Tires and Repairs	1,200	1,200	365	835
Vehicle Parts and Service	3,000	3,000	7,576	(4,576)
Janitorial Supplies	9,000	9,000	9,675	(675)
Building & Grounds Maintenance	28,200	28,200	21,188	7,012
Small Tools	1,200	1,200	1,534	(334)
Equipment Maintenance	6,200	6,200	6,390	(190)
Equipment Rental	8,000	8,000	175	7,825
Contract Services	70,000	70,000	29,829	40,171
Agricultural Supplies	4,500	4,500	2,688	1,812
Water	153,000	153,000	165,810	(12,810)
Electricity	32,000	32,000	35,973	(3,973)
Garbage	16,000	16,000	12,575	3,425
<u>TOTAL MATERIALS AND SERVICES</u>	<u>348,700</u>	<u>348,700</u>	<u>311,905</u>	<u>36,795</u>
<u>CAPITAL OUTLAY</u>	<u>8,538</u>	<u>8,538</u>	<u>8,500</u>	<u>38</u>
<u>TOTAL PARKS EXPENDITURES</u>	<u>633,039</u>	<u>633,039</u>	<u>591,287</u>	<u>41,752</u>
<u>AQUATICS:</u>				
CURRENT				
<u>PERSONAL SERVICES:</u>				
Seasonal	108,000	108,000	86,011	21,989
Payroll Tax Expense	10,200	10,200	7,426	2,774
<u>TOTAL PERSONAL SERVICES</u>	<u>118,200</u>	<u>118,200</u>	<u>93,437</u>	<u>24,763</u>

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
(all amounts are in dollars)

	BUDGETED AMOUNTS		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>AQUATICS EXPENDITURES - CONTINUED:</u>				
<u>MATERIAL AND SERVICES:</u>				
Program Supplies	2,000	2,000	1,078	922
Promotion & Publicity	800	800	-	800
Building & Grounds Maintenance	3,500	3,500	1,787	1,713
Equipment Maintenance	3,000	3,000	5,433	(2,433)
Chemicals	28,000	28,000	25,490	2,510
Contractual Services	8,000	8,000	7,876	124
Uniforms	1,500	1,500	1,612	(112)
Supplies Concession	3,000	3,000	1,754	1,246
Licenses / Permits	1,400	1,400	485	915
Natural Gas	19,000	19,000	14,129	4,871
<u>TOTAL MATERIAL AND SERVICES</u>	<u>70,200</u>	<u>70,200</u>	<u>59,644</u>	<u>10,556</u>
<u>TOTAL AQUATICS EXPENDITURES</u>	<u>188,400</u>	<u>188,400</u>	<u>153,081</u>	<u>35,319</u>
<u>RECREATIONAL PROGRAMS:</u>				
CURRENT				
<u>PERSONAL SERVICES:</u>				
Wages - Full Time	1	1	-	1
Administrative Secretary	1	1	-	1
Seasonal	1	1	-	1
Benefits Expense	1	1	-	1
<u>TOTAL PERSONAL SERVICES</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>4</u>
<u>MATERIALS AND SERVICES:</u>				
Program Supplies	2,800	2,800	1,490	1,310
Special Events Supplies	7,500	7,500	-	7,500
Promotion and Publicity	4,000	4,000	-	4,000
Staff Expense - Uniforms	400	400	-	400
Contract Services	17,200	17,200	405	16,795
<u>TOTAL MATERIALS AND SERVICES</u>	<u>31,900</u>	<u>31,900</u>	<u>1,895</u>	<u>30,005</u>
<u>TOTAL RECREATIONAL PROGRAMS EXPENDITURES</u>	<u>31,904</u>	<u>31,904</u>	<u>1,895</u>	<u>30,009</u>
<u>TOTAL EXPENDITURES</u>	<u>1,266,303</u>	<u>1,266,303</u>	<u>1,124,684</u>	<u>141,619</u>

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
(all amounts are in dollars)

	BUDGETED AMOUNTS		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>TOTAL REVENUES</u>	1,266,305	1,266,305	1,429,248	162,943
<u>TOTAL EXPENDITURES</u>	<u>1,266,303</u>	<u>1,266,303</u>	<u>1,124,685</u>	<u>141,618</u>
Excess of Revenues Over (Under) Expenditures	2	2	304,563	304,561
<u>OTHER FINANCING SOURCES AND (USES)</u>				
Transfers Out	<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>2</u>
<u>TOTAL OTHER FINANCING SOURCE (USES)</u>	<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>2</u>
Net Change in Fund Balance	-	-	304,563	304,563
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>610,000</u>	<u>610,000</u>	<u>787,801</u>	<u>177,801</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>610,000</u>	<u>610,000</u>	<u>1,092,364</u>	<u>482,364</u>

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - MODIFIED CASH BASIS

SYSTEM DEVELOPMENT CHARGE FUND

FOR THE YEAR ENDED JUNE 30, 2022

(all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<u>REVENUES:</u>				
System Development Charges	32,000	32,000	239,836	207,836
Interest Income	60	60	56	(4)
	32,060	32,060	239,892	207,832
<u>TOTAL REVENUES</u>				
<u>EXPENDITURES:</u>				
<u>Current:</u>				
Materials and Services	40,061	40,061	76,804	(36,743)
Capital Outlay	500,000	500,000	74,619	425,381
	540,061	540,061	151,423	388,638
<u>TOTAL EXPENDITURES</u>				
Excess of Revenues Over (Under) Expenditures	(508,001)	(508,001)	88,469	596,470
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	1	1	-	(1)
	1	1	-	(1)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>				
Net Change in Fund Balance	(508,000)	(508,000)	88,469	596,469
<u>FUND BALANCE - BEGINNING OF YEAR</u>	508,000	508,000	568,082	60,082
<u>FUND BALANCE - END OF YEAR</u>	-	-	656,551	656,551

(SEE NOTES TO THE BASIC FINANCIAL STATEMENTS)

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES:

As discussed further in Note 1 – Basis of Accounting, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting. The more significant of the District's accounting policies are described below:

REPORTING ENTITY:

Northern Wasco County Park and Recreation District is governed by a five-member Board of Directors. Standards require that these financial statements present the District (primary Government) and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements.

Based upon the application of the above criteria, the District has no potential component units. As a result, all significant activities and organizations have been included in the combined financial statements.

BASIS OF PRESENTATION:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary governmental activities of the District. Eliminations have been made to minimize the double counting of internal activities. The Statement of Activities presents a comparison between direct expenses of the District's recreation program and revenues from its programs. Direct expenses are those that are specifically associated with the culture and recreation function and, therefore, are clearly identifiable to that function. Program revenues include: (1) charges for recreation program activities at the District and (2) operating grants and contributions. Property taxes, investment earnings, and other items that are not properly classified as program revenues are presented as general revenues.

Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities.

The fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, net position or fund balance, revenues, and expenditures or expenses. The District's funds are organized into one major category: governmental. The District has no proprietary or fiduciary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- A. Total assets, deferred outflows, liabilities, deferred inflows, revenues, or expenditures or expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- B. Total assets, deferred outflows, liabilities, deferred inflows, revenues, or expenditures or expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUND TYPES:

- The General Fund: is the District's primary operating fund. It accounts for all resources of the District, except those required to be accounted for in another fund, either legally or by Board direction. The principal revenue source is property taxes. Primary expenditures are for culture and recreation. The general fund is always reported as a major fund in the governmental fund statements.
- Special Revenue Funds: This fund type is used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for specific purposes other than debt service or capital projects.
- The Debt Service Fund: is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Northern Wasco County Park and Recreation District chooses to present major fund budgetary comparison information in the basic financial statements for the General and Special Revenue funds.

MEASUREMENT FOCUS & BASIS OF ACCOUNTING:

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded regardless of the measurement focus applied.

Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. Under this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or non-financial) associated with the activities are generally reported within the limitations of modified cash basis of accounting.

The governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on the balance sheets. The operating statement presents sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the Statements of Net Position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expense and liabilities) are not recorded in these financial statements. In

addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for the governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

FINANCIAL POSITION

Cash and Cash Equivalents:

For the purpose of reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments:

In the past, the District's investments consisted of monies invested in the State of Oregon Local Government Investment Pool (LGIP). Investments are carried at cost, which approximates fair value. Currently the District is not participating in the LGIP.

Inventories:

Inventory-type items are considered to be an expenditure when purchased. The amount of inventory at year end was not considered significant and is not reported on the balance sheet.

Capital Assets:

Capital assets arising from cash transactions or events are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. The District defines capital assets as assets with an initial cost of more than \$5,000 and an initial useful life extending beyond a single reporting period. Replacements, which improve or extend the lives of property, are capitalized. Interest incurred during construction is not capitalized on capital assets. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight line basis over the following estimated useful lives:

ASSET	Years
Equipment	5 to 45 years
Building and Improvements	15 to 100 years

Long Term Debt:

All long-term bonds, notes and any other debt arising from cash transactions or events to be repaid from the governmental resources are reported as liabilities in the government-wide statements.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Principal and interest payments are reported as debt service expenditures when paid.

NET POSITION/FUND BALANCE CLASSIFICATIONS:

Government Wide Financial Statements:

Net position is classified in the following three categories:

1. Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

2. Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted Net Position – consists of all other net position that is not included in the other categories previously mentioned.

It is the District's policy is to apply restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Financial Statements – Governmental Funds:

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance with respective levels of constraint. In the fund financial statements, Governmental Accounting Standards Board Statement

No. 54, *Fund Balance Reporting, and Governmental Fund Type Definitions* (GASB 54) define the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the five fund balance components listed below:

Nonspendable- This component includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted- This component consists of amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed- This component consists of amounts that can only be used for the specific purposes determined by a formal action of the District's Board of Directors, which includes resolutions. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (resolution) it employed previously to commit those amounts.

Assigned- This component consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The authority for assigning fund balance is expressed by the Board of Directors, or their designee as established in the District's Fund Balance Policy.

Unassigned- This residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District's policy to use committed resources first, then assigned, and then unassigned, as they are needed.

FUND BALANCE POLICY:

A fund balance policy is tailored to the needs of the District to insure against unanticipated events that would adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. This policy will ensure the District maintains adequate fund balance and reserves in the District's various operating funds to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) offset significant economic downturns and revenue shortfalls, and (3) provide funds

for unforeseen expenditures related to emergencies.

The District will maintain reservations of Fund Balance in the General Fund of the District. In the General Fund, there shall be a reservation (unrestricted / undesignated) of fund balance enough to sustain the District's regular operating expenditures for a minimum of four months.

PROPERTY TAX REVENUES:

Property taxes are levied on July 1 pursuant to *Oregon Revised Statute 310.030*. Taxes are payable in full on November 15 or are payable in installments the last of which is due on May 15 of the year following the year in which imposed. Taxes become delinquent on personal property when any installment is not paid by its due date. Taxes become delinquent on real property if not paid by May 15. On January 1 and July 1 tax liens attach to personal and real property respectively to secure payment of all taxes, penalties, and interest ultimately imposed. Personal property is subject to summary seizure and the responsible taxpayer is subject to warrant service 30 days after delinquency date. Foreclosure proceedings begin on real property after three years from the date taxes become delinquent.

Property taxes are collected by the Wasco County Tax Collector and credited monthly to the District's account. Funds are distributed to the District monthly. The fund financial statements reflect property taxes as revenue when received by the District.

PROGRAM REVENUES:

Program revenues for the District include fees and charges for recreation, park and aquatic services within the District.

USE OF ESTIMATES:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

BUDGETS AND BUDGETARY ACCOUNTING:

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (*ORS 294 - Local Budget Law*). The budget is prepared on the modified cash basis of accounting for each fiscal year July 1 to June 30. The process under which the budget is adopted is described in the following paragraphs.

The budget process includes a series of notices and publications culminating with the budget hearing. After the public hearing has been held, the Board enacts the resolutions to adopt the budget, make appropriations, and declare the ad valorem tax levy for all funds except the Special and Reserve Funds. The Appropriations Resolution contains amounts for personal services, materials and services, capital outlay, debt service, contingency and transfers to other funds as appropriate for each fund other than the General Fund. The General Fund must be appropriated by organization unit or program, such as administration, recreation, aquatics, and parks. This is the level of control for authorized expenditures. The level of expenditures is monitored throughout the year. Transfers are made from operating contingency or between the major object classifications of the appropriation for each fund as required to prevent an over-expenditure. Appropriations for all funds lapse at the end of each fiscal year.

DEFICIT FUND BALANCE

The District had no instances whereby any of its funds had a deficit fund balance as of June 30, 2022.

3. DETAILED NOTES ON ALL FUNDS:

CASH AND INVESTMENTS:

Cash and Investments consist of the following at June 30, 2022:

	<u>CARRYING AMOUNT</u>
Cash on Hand	650
Checking Account	1,439,241
Money Market Account	<u>632,717</u>
<u>TOTAL DEPOSITS AND INVESTMENTS</u>	<u>2,072,608</u>

The District’s cash management policies are governed by state statutes. Statutes authorize the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, and the State Treasurer’s Investment Pool, among others. Investments of the District are valued at cost, which approximates market. Aside from compliance with state statutes, the District does not have any specific policies for its deposits and investments that address custodial credit risk, or concentration of credit risk.

Custodial Credit Risk - Deposits– Custodial credit risk for deposits is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. In order to

minimize this risk, state statutes require banks holding public funds to become members of the Public Funds Collateralization Program (PFCP, a multiple financial institution collateral pool created by the Office of the State Treasurer.) To qualify, participating banks must pledge collateral against any public fund deposits in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank depositories, it does not guarantee that all funds are 100% protected. At June 30, 2022, the District did not have any deposits exposed to custodial credit risk.

LONG-TERM DEBT:

A Debt Service Fund was established to service the principal and interest requirements of the general obligation bond.

General Obligation Bonds:

November of 2013, the District issued 3,700,000 general obligation bonds to finance the construction of a new pool at Thompson Park. Interest rates on the bonds range from 2% - 4.6%. The net proceeds of 3,803,264 were deposited in the Capital Projects Fund. At June 30, 2022 the outstanding balance on the obligation was 2,065,000.

The future maturities of the general obligation bonds outstanding as of June 30, 2022 are as follows:

General Obligation Bonds, 2013

	<u>Principal</u>	<u>Interest</u>
2022-23	250,000	97,365
2023-24	265,000	84,510
2024-25	280,000	70,865
2025-26	295,000	55,753
2026-27	310,000	39,115
2027-29	665,000	30,935
	<u>2,065,000</u>	<u>378,543</u>

Long Term Loan:

On June 10, 2015, the District borrowed 300,000 at a fixed annual rate of 3.93% due on June 10, 2025. The borrowing was used to assist in concluding the New Pool construction. Payments in the amount of 2,217 are due monthly for a period of 10 years, with a balloon payment due June of 2025.

Long Term Loan, #148999

	<u>Principal</u>	<u>Interest</u>
2022-23	19,713	6,895
2023-24	20,496	6,111
2024-25	141,778	5,263
	181,987	18,269

CHANGES IN LONG-TERM DEBT:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due In</u> <u>One Year</u>
General Obligation Bonds	2,305,000	-	(240,000)	2,065,000	250,000
Unamortized Premium/Discount	66,329	-	(10,075)	56,254	-
Long Term Borrowing	200,931	-	(18,944)	181,987	19,713
	2,572,260	-	(269,019)	2,303,241	269,713

CAPITAL LEASE OBLIGATIONS:

On September 29, 2017, the District entered into a lease-purchase agreement with Ford Motor Credit Company LLC for financing the acquisition of a 2017 Ford F-250. The purchase price was \$32,890, including fees. The lease calls for 5 consecutive annual payments of \$7,432 (including interest of 5.95%). The final payment was paid this fiscal year and no future payments are required.

On September 10, 2021, the District entered into a lease-purchase agreement with Ford Motor Credit Company LLC for financing the acquisition of a 2021 Ford F-450. The total purchase price was \$61,700, including fees. The lease calls for a down payment of \$8,500, plus 4 consecutive annual payments of \$15,476 (including interest of 6.35%). The future minimum lease obligation payments as of June 30, 2022 are as follows:

	<u>Principal</u>	<u>Interest</u>
2022-23	12,098	3,378
2023-24	12,866	2,610
2024-25	13,683	1,793
2025-26	<u>14,552</u>	<u>924</u>
	<u>53,200</u>	<u>8,705</u>

PENSION PLANS:

Plan Description: Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple employer defined benefit plan. Qualified employees of the District are provided with pensions through OPERS. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS issues a publicly available financial report that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx. Oregon Revised Statutes 238 assigns the authority to establish and amend benefit provisions to the PERS Board of trustees and the State legislature.

Benefits provided under ORS Chapter 238 – Tier One/Tier Two

Pension Benefits: The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Death Benefits: Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member’s account balance (accumulated contributions and interest) and employer funds equal to the account balance, provided certain conditions are met.

Disability Benefits: This is available for qualifying employees for both duty and non-duty connected causes.

Benefit Changes After Retirement: Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Benefits provided under Chapter 238A – OPSRP Pension Program

Pension Benefits: The Pension Program provides benefits to members hired on or after August 29, 2003. OPSRP provides a life pension funded by employer contributions. Benefits are based upon the number of years of service and the final average salary. A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits: Upon the death of a non-retired member, the beneficiary receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits: This is available for qualifying employees for both duty and non-duty connected causes.

Benefit Changes After Retirement: Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

Funding Policy: PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS defined Benefit Plan and Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The District's contribution rates in effect for the fiscal year ended June 30, 2022 were 25.82% for Tier1/Tier Two members and 20.75% for OPSRP general service members. For 2021-22 the District's annual pension cost for PERS was equal to the District's required and actual contributions.

Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program (IAP).

The District's contribution information for years ended June 30, are as follows:

<u>Fiscal Year Ending</u>	<u>Required Contributions</u>	<u>Percentage of Contributions Contributed</u>
6/30/2020	64,636	100%
6/30/2021	51,165	100%
6/30/2022	77,445	100%

POST-EMPLOYMENT BENEFITS:

Oregon Public Employees Retirement System – Retirement Health Insurance Account (RHIA)

Plan Description: As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, defined benefit, other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution (currently 60 per month) toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.340 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The Plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy: Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employer were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to 60, or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHI account established by the employer, and any monthly cost in excess of 60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: 1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, 2) receive both Medicare Parts A and B coverage, and 3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she 1) is receiving a retirement benefit or allowance from PERS or 2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions: PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The District's contribution rates for the period were 0.05% for Tier One/Tier Two members, and 0.00% for OPSRP members. The District's contributions to RHIA, which equaled the required contributions each year, were included with the payments for the retirement plan described in the note above.

COMMITMENTS AND CONTINGENT LIABILITIES:

The District is billed by the State of Oregon for unemployment compensation benefits paid to eligible employees. At June 30, 2022, there was no way of estimating the District's unemployment compensation liability to the State of Oregon.

OPERATING LEASES - LEASEE:

The District has entered into the following lease / contract agreements:

- A.** On May 7, 1986, The Northern Wasco County Park and Recreation District entered into a lease agreement with Wasco County for the control of Kramer Field.

The terms of the agreement are:

<u>Occupancy</u> -	5 years May 7, 1991 to May 7, 1996
<u>Rent</u> -	1.00 each year in advance
<u>Plus</u> -	(1) Taxes
	(2) Heat, light power, water, sewage and other service utilities and benefits.
	(3) Insurance
	(4) Any assessed improvements made by the District.

Although the lease was not renewed when it expired on May 7, 1996, the lease continues under the prior terms until the title is transferred.

- B.** The Northern Wasco County Park and Recreation District entered into an intergovernmental agreement with the Mid-Columbia Fire & Rescue District to maintain and operate Firehouse Park on March 5, 1990. The intergovernmental agreement was renewed on March 27, 1996.

The terms of the agreement are:

<u>Rent-</u>	None
<u>Term-</u>	4 years January 1, 1996, to June 30, 2000
<u>Renewal -</u>	Automatic yearly extensions unless termination notice is given by either party.
<u>Insurance -</u>	Liability insurance of not less than 100,000 in the case of injury to any one person, 500,000 in the case of injury to more than one person in the same occurrence, and in the minimum amount of 50,000 for property damage.
<u>Utilities -</u>	The Fire District shall be responsible for the cost of utilities, including water and electricity.

Although the lease was not renewed when it expired on June 30, 2000, the lease continues under the prior terms until the title is transferred.

OPERATING LEASE – LESSOR:

The District receives revenue from the following operating lease:

On September 2, 2008, the District renewed its ground lease agreement with Meadow Outdoor Advertising for a sign structure just east of Riverfront Park for an additional five years. The lease calls for a yearly rental fee of 1,200 or 10 percent of gross income generated by the advertising sign whichever is greater. Although the lease was not renewed when it expired in 2013, the lease continues under the prior terms until cancelled.

INTERFUND TRANSACTIONS:

Funds are transferred from one fund to finance expenditures of other funds in accordance with the authority established for the individual fund. There were no transfers between fund types during the fiscal year ended June 30, 2022.

CAPITAL ASSETS:

The following schedule shows the changes in Capital Assets for the year ended June 30, 2022:

<u>Non Depreciable</u>	<u>7/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2022</u>
Land	1,332,147	-	-	1,332,147
<u>Depreciable</u>				
Buildings	4,773,131	-	-	4,773,131
Equipment	691,057	61,700	(1,000)	751,757
Land Infrastructure & Site Improvements	1,881,376	57,767	-	1,939,143
Construction in Progress	-	76,804	-	76,804
<i>Total Assets</i>	<u>8,677,711</u>	<u>196,271</u>	<u>(1,000)</u>	<u>8,872,982</u>
<u>Accumulated Depreciation</u>				
Buildings	(919,254)	(159,104)	-	(1,078,358)
Equipment	(418,043)	(34,971)	1,000	(452,014)
Land Infrastructure & Site Improvements	(1,213,699)	(67,110)	-	(1,280,809)
<i>Total Accumulated Depreciation</i>	<u>(2,550,996)</u>	<u>(261,185)</u>	<u>1,000</u>	<u>(2,811,181)</u>
Governmental Capital Assets Net	<u>6,126,715</u>	<u>(64,914)</u>	<u>-</u>	<u>6,061,801</u>

Depreciation expense for governmental activities is charged to the following governmental function:

Culture & Recreation	261,185
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4. **OTHER INFORMATION:**

RISK MANAGEMENT:

The District purchases commercial insurance policies to insure against most hazards. There have been no significant reductions in the District's insurance coverage, in any risk category, from coverage in the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

TAX ABATEMENTS:

Wasco County has authorized tax-exempt status for three qualified firms within the County: Powder Pure, Hix The Dalles, and Design LLC. All properties are required to meet State and Federal funding requirements which include annual physical inspections and an annual audit of financial activity and programmatic compliance. The property tax exemption may be removed if the property is no longer eligible under the stated provisions of ORS 307.540 to 307.548. Section E of the renewal application requires the applicant to acknowledge compliance with the requirements annually. For fiscal year ending June 30, 2022, the foregone property tax revenue is 1,743,295.

SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the date of this financial statement with management. The date of this financial statement is also the issuance date. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

OTHER SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND: This fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

NORTHERN WASCO COUNTY PARK AND RECREATION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - MODIFIED CASH BASIS

DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2022

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUE:</u>				
Current Year Taxes	455,000	455,000	436,642	(18,358)
Prior Year Taxes	2,000	2,000	11,676	9,676
Interest Income	12	12	31	19
	<u>457,012</u>	<u>457,012</u>	<u>448,349</u>	<u>(8,663)</u>
<u>TOTAL REVENUES</u>				
<u>EXPENDITURES:</u>				
Debt Service:				
Principal Payments	240,000	240,000	240,000	-
Interest Payments	109,615	109,615	109,615	-
	<u>349,615</u>	<u>349,615</u>	<u>349,615</u>	<u>-</u>
<u>TOTAL DEBT SERVICE</u>				
Excess of Revenues Over (Under) Expenditures	107,397	107,397	98,734	(8,663)
Net Change in Fund Balance	107,397	107,397	98,734	98,734
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>200,439</u>	<u>200,439</u>	<u>223,537</u>	<u>23,098</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>307,836</u>	<u>307,836</u>	<u>322,270</u>	<u>14,434</u>

OTHER REQUIRED REPORTS



**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors
Northern Wasco County Parks & Recreation District
The Dalles, Oregon

We have audited the basic financial statements of Northern Wasco Parks and Recreation as of and for the year ended June 30, 2022, and have issued our report thereon dated November 4, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Northern Wasco Parks and Recreation's financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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:

- Deposit of public funds with financial institutions (ORS Chapter 295).**
- Indebtedness limitations, restrictions and repayment.**
- Budgets legally required (ORS Chapter 294).**
- Insurance and fidelity bonds in force or required by law.**
- Programs funded from outside sources.**
- Authorized investment of surplus funds (ORS 294).**
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to

believe Northern Wasco Parks and Recreation was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

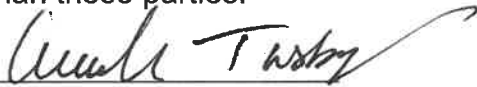
- 1) The 2022-2023 Budget Publication did not agree to the 2022-2023 Budget Document for both materials and services and capital outlay.

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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting. In a separate communication dated November 4, 2022 we reported to management our findings related to control deficiencies.

Restriction on Use

This report is intended solely for the information and use of the board of directors and management of Northern Wasco Parks and Recreation and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.


For Friend & Reagan, PC
The Dalles, Oregon 97058
November 4, 2022