



Bend Metro Park and Recreation District, Oregon

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

www.bendparksandrec.org



play for life

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Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023



Report Prepared by the District Finance Department

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Eric Baird, Finance Manager

Marcia Copple, Financial Accountant



Bend Park &
Recreation
DISTRICT



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Big Sky Bike Park

INTRODUCTORY SECTION





Facility Supervisor and Lifeguard



December 11, 2023

To the Honorable Members of the Board of Directors
and the Citizens of the Bend Metro Park and Recreation District,

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Bend Metro Park and Recreation District (the district) for the fiscal year ended June 30, 2023. This ACFR is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements.

Responsibility for the completeness and reliability of the information contained in this report rests with the district's management and is based on an internal control structure designed for this purpose. The internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met because the cost of the internal control should not exceed the related benefits. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the district as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the district's financial affairs.

The district's financial statements were audited by Sensiba LLP, a firm of independent certified public accountants. The independent auditors have issued an unmodified opinion on the district's financial statements for the fiscal year ended June 30, 2023. The independent auditors' report is presented in the Financial Section of this report.

These financial statements include the Management's Discussion and Analysis (MD&A), which can be found immediately following the report of the independent auditor. The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements and should be read in conjunction with this letter of transmittal.

District Profile

Bend began as a logging town, but is now a gateway for many outdoor recreational activities such as cycling, hiking, golfing, rock climbing, and ice, snow, and water sports. Voters established the Bend Park and Recreation District (district) on May 28, 1974. The district was a department of the City of Bend prior to that date, and was formed as a separate special district under the Oregon Revised Statutes as a priority of the community citizens to protect park and recreation funding from the pressures of other community priorities. In 1976, the citizens voted to dedicate property tax funding for the sole purpose of providing this community with park and recreation services.

The district boundaries and population are slightly larger than those of the city of Bend. The city of Bend is in Central Oregon, just east of the Cascade mountain range, and encompasses an area of 37.2 square miles. Bend is the largest city in Central Oregon with a population estimate of 105,524 as of July 1, 2023. Bend serves as the seat for Deschutes County and as the hub of economic activity in a three-county region including Deschutes, Jefferson, and Crook counties.

The Board of Directors, composed of five elected board members, forms the legislative branch of the district government, and sets policy, adopts the annual budget and hires and directs the Executive Director. The Executive Director is responsible for the administration of the district and manages a staff of four department heads with approximately 290 budgeted full-time equivalent employees.

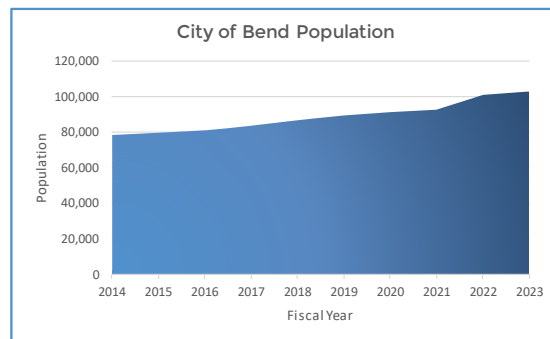
The district maintains and operates over 87 miles of trails and 2,085 acres of developed parkland, which includes 42 playgrounds, 8 off-leash dog areas, 4 skate parks, 3 disc golf courses, and a whitewater park on the Deschutes River. Within the developed parkland are several types of sports fields and courts such as 15 soccer fields, 8 tennis courts, 19 pickleball courts, and 15 softball fields. We offer over 1,000 distinct recreation programs for all ages and abilities throughout the area at the Juniper Swim & Fitness Center, The Pavilion, the Larkspur Community Center, and the Art Station. The district also offers several free community events throughout the year.

The district's annual budget serves as the foundation for the district's financial planning and control. The district's budget is prepared in accordance with provisions of the Oregon Local Budget Law (ORS Chapter 294), which provides standard procedures for the preparation, presentation, administration and appraisal of budgets. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

Local Economy

Central Oregon anticipates continued recovery and economic expansion, but is still experiencing a shortage of labor and affordable housing stock. In response, businesses are adjusting their hiring strategies by raising wages, offering health benefits, relaxing experience requirements and offering flexible work schedules. With inflation and shifts in the labor market we must remain competitive in the labor force. With the increase in cost of living in the area, we are seeing increases in wages. We continue to see growth in our district.

Since the early 1990s, Bend has experienced a large influx of new residents drawn by the quality of life. Population growth is significant as a result of this in-migration, resulting in a challenging low supply and high demand environment. The good news is the City of Bend Council has adopted a goal to create more affordable housing as well as a focus on the creation of programs to provide transitional and temporary housing for houseless individuals and permanent housing for those in underrepresented populations.



Despite our current challenges, Bend continues to be known as the commercial, recreational, and innovation center of Central Oregon and was recently recognized as the second-fastest growing city in America. Renowned for its scenic setting and year-round recreational activities, the city is known for its growing economy and entrepreneurial spirit. Bend began as a logging town, but is now a gateway for many outdoor recreational activities such as mountain biking, hiking, golfing, rock climbing, and ice, snow and water sports. Bend's economy is defined by dynamism, entrepreneurship, and diverse businesses that span many sectors. Manufacturing - long the region's economic core - now shares the limelight with software and high tech, craft brewing, bioscience, recreational products, aviation-related enterprises, distilling operations, food production, and tourism.

Financial Policies

The district adopted and adheres to a set of Financial Policies. The district recognizes the need to ensure that it is capable of adequately funding and providing the high level of district services valued by the community on a long-term sustainable basis. The board acknowledges the challenge of maintaining a viable level of financial resources to protect against the need to reduce service levels due to temporary revenue shortfalls or unforeseeable one-time expenditures.

One of the strategies to address this challenge that the district has implemented, is to maintain sufficient working capital balances in each fund. The amount of working capital, per fund, is a function of the type of fund. For the General Fund, the level is 17% of that fund's operating budget. Other topics covered in the district's financial policies include revenue, financial planning, financial reporting, investment and debt management, and pension funding.

among others. The policies are periodically reviewed and amended to ensure they reflect best practices and comply with external requirements such as Generally Accepted Accounting Principles (GAAP) and Local Budget Law.

Long-term Financial Planning

Long-term financial planning ensures the district: can maintain financial sustainability into the future; has sufficient long-term information to guide financial decisions; identifies potential risks to ongoing operations; and identifies changes in revenue or expenditure structures necessary to deliver services or to meet organizational goals and objectives. The district maintains a five-year financial planning horizon and balances requirements to resources over the life of the five-year forecast. The forecast is prepared at least annually prior to the start of the annual budget and capital improvement prioritization processes.

We continue to respond by shifting and balancing priorities to ensure the district's financial stability in an ever-changing environment. Inflation is impacting the development of this forecast along with the likelihood of a recession. Bend was recently recognized as the second-fastest growing city in the country. To continue to provide the high level of service the community expects from the district, within the resources that are available, requires continual efficiencies in our organization. It is the district's highest priority to continue to "take care of what we have" through asset management and by focusing resources where there is the greatest need.

Major Initiatives

Investing in our workforce. Addressing employment cost increases with funding cost of living adjustments. Continued support for professional development by funding the education assistance program along with college scholarships for Kids Inc staff.

Taking care of what we have. Many of our projects funded in the facility reserve fund are to maintain our assets along with our facility operating budgets and park services budgets. Addressing vandalism which has been on the rise.

Enhance safety. A review was done by an outside consulting firm regarding safety for our facilities that will help guide our safety decisions. FY24 has funding for additional cameras and security features and an additional Park Steward.

Trails investment. The Natural Resources Division has been restructured to include a Trails division to centralize duties and responsibilities, and this includes an additional supervisor. The capital plan continues to fund trail projects.

Support expanded program capacity. Recreation continues to see capacity expansion in many of its programs, and expanding concession operations. While selling concessions is not new to the district, this expansion takes a more wholistic approach to selling goods district-wide with the intent of directing profits to the scholarship program.

Continued commitment to DEI work. We will continue our decades-long commitment to serving all district residents. Funding is planned for additional staff training and to further implement the DEI action plan.

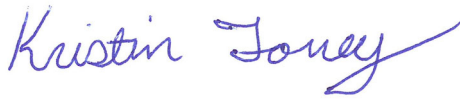
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded the district with a Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award that is an important recognition of conformance with the highest standards for preparation of state and local government financial reports. In order to receive the award, the district must publish an easily readable and efficiently organized ACFR with contents that conform to program standards. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

Distinguished Budget Presentation Award – the district has received the Distinguished Budget Presentation Award for its budget document from the GFOA each year a submission has been made. The award represents the district's commitment to meeting the highest principles of governmental budgeting. The budget is rated in four major categories: as a policy document, an operations guide, a financial plan and a communications device. Budget documents must be rated "proficient" in all four categories to receive the award. The district submitted its 2023-24 budget to GFOA in July 2023 and we believe that budget document will continue to meet the Certificate of Achievement Program requirements.

We wish to thank everyone who contributed to the preparation of this report with special thanks to the Finance Department, for their dedication and contribution to the district's efficient and accurate financial reporting. We would also like to express our appreciation to the district's Board of Directors and the Executive Director whose leadership and commitment strengthen our community's vitality and foster healthy, enriched lifestyles.

Respectfully submitted,



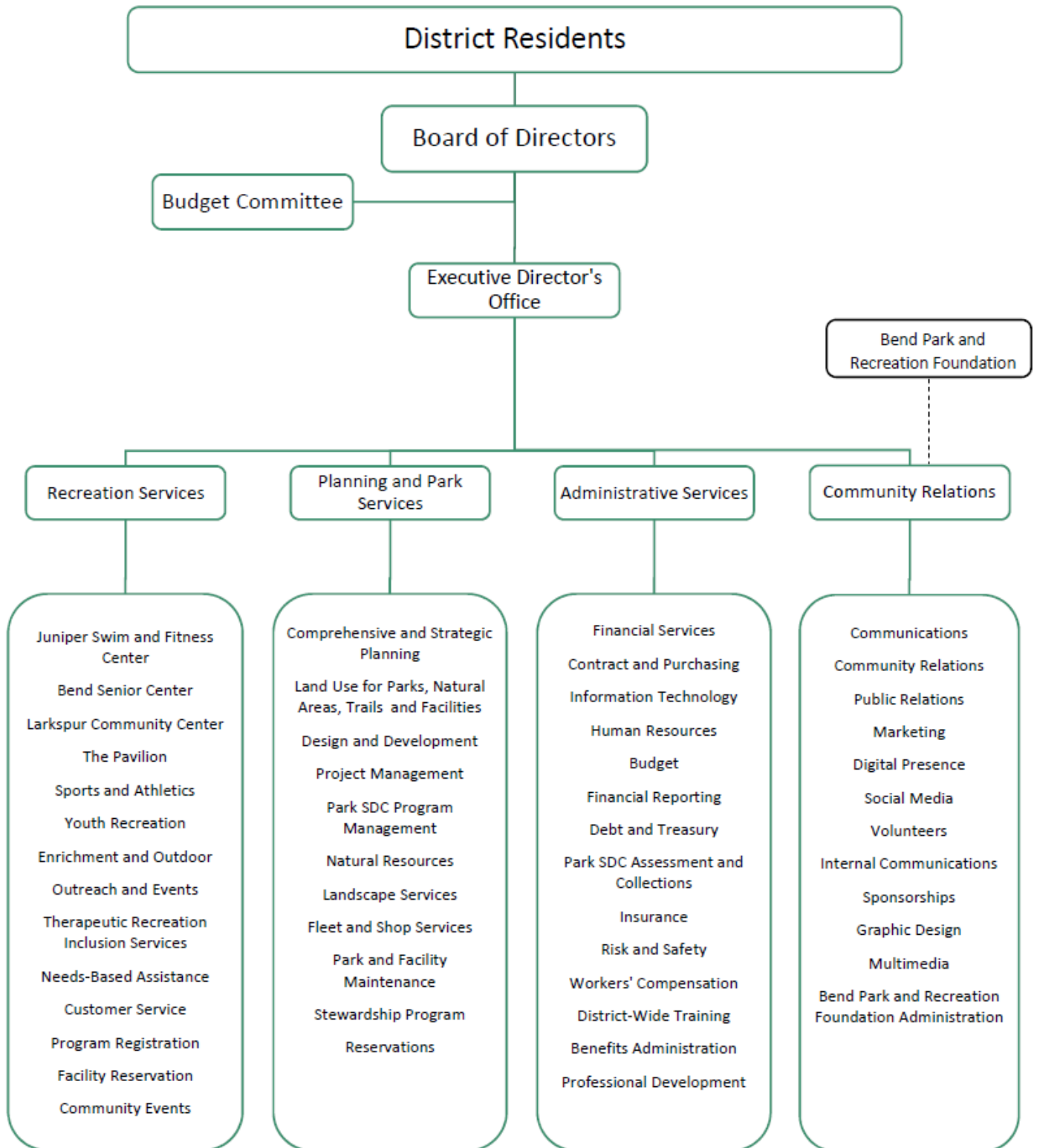
Kristin Toney
Administrative Services Director



Eric Baird
Finance Manager



Marcia Copple
Financial Accountant





BOARD OF DIRECTORS

Board Members

Term Expires

Jodie Barram

June 30, 2027

Zavier Borja

June 30, 2025

Nathan Hovekamp

June 30, 2025

Donna Owens

June 30, 2027

Deb Schoen

June 30, 2025

Registered Agent and Office

Don P. Horton
Administrative Office
799 SW Columbia Street
Bend, OR 97702

Principal Officials

Don P. Horton, Executive Director
Michelle Healy, Deputy Executive Director
Kristin Toney, Administrative Services Director
Matt Mercer, Recreation Services Director
Julie Brown, Communications and Community Relations Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Bend Metro Park & Recreation District
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Riverbend South Paddle Boarding

FINANCIAL SECTION





Spanish Language Swim Lessons



Independent Auditor's Report

Board of Directors
Bend Metro Park and Recreation District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bend Metro Park and Recreation District (District), as of and for the year ended June 30, 2023, the respective changes in financial position for the year, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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*, 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 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 the 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.

Auditors' 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, the schedule of the proportionate share of the net pension liability and employer pension contributions, the schedule of the proportionate share of the net OPEB asset - RHIA and employer OPEB contributions – RHIA, and the schedule of changes in total OPEB liability – health insurance continuation, 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.

The schedules of revenues, expenditures, and changes in fund balance – budget and actual: general and system development charges special revenue funds 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 schedules of revenues, expenditures, and changes in fund balance – budget and actual: general and system development charges special revenue funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise District's basic financial statements. The non-major fund combining balance sheet and statement of revenues, expenditures, and changes in fund balance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 non-major fund combining balance sheet, statement of revenues, expenditures, and changes in fund balance, and

the schedule of expenditures of federal awards are 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 annual report. The other information comprises the introductory section, the schedules listed under as other supplementary information in the table of contents, the schedules listed as other financial schedules in the table of contents, and the statistical 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023 on our consideration of 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 District's internal control over financial reporting and compliance.

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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 11, 2023 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 our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Brenda Baulett

Sensiba LLP
Bend, Oregon

December 11, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Bend Metro Park and Recreation District (the district) offers readers of the district's financial statements this narrative overview and analysis of the financial activities of the district for the fiscal year ended June 30, 2023. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

The following are the district's financial highlights for the fiscal year ended June 30, 2023:

- On a government-wide basis, the district's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by \$184.9 million at June 30, 2023.
- The district's net position at June 30, 2023 increased by \$13.8 million from the prior year. This increase in net position is a result of: total assets increasing by \$12.4 million, total deferred outflows of resources decreasing by \$0.7 million, total liabilities increasing by \$0.7 million, and the total deferred inflows of resources decreasing by \$2.8 million.
- The district's governmental funds reported a combined fund balance of \$51.8 million, an increase of \$8.8 million from June 30, 2022. Of this balance, \$0.5 million (0.9%) is nonspendable; \$20.2 million (39.1%) is restricted; \$20.4 million (39.5%) is committed; \$9.1 million (17.5%) is assigned; and \$1.6 million (3.0%) is unassigned.
- The district's assets and deferred outflows of resources totaled \$224.8 million at June 30, 2023, an increase of \$11.7 million from the prior year, consisting of \$161.5 million in capital assets, \$54.1 million in cash and cash equivalents, \$4.2 million in receivables and other assets, and \$5.0 million in deferred outflows of resources.
- The district's liabilities and deferred inflows of resources totaled \$39.9 million at June 30, 2023, a decrease of \$2.1 million from the prior year, consisting of \$20.9 million in debt, \$1.2 million in accounts payable, \$1.8 million in payroll related liabilities, \$8.5 million in net pension liability, \$0.5 million in OPEB liability, \$3.7 million in other liabilities, and \$3.3 million in deferred inflows of resources.
- The district generated program revenues of \$24.2 million from its governmental activities. Direct expenses of all programs totaled \$36.1 million. General revenues which include taxes and investment earnings totaled \$25.7 million.
- The district's Assessed Valuation of Taxable Property increased by 6.2% from \$14.6 billion to \$15.5 billion for the fiscal year ending June 30, 2023.
- Total bonded debt was \$19.0 million as of June 30, 2023, compared to total bonded debt of \$20.3 million as of June 30, 2022.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the district's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other information in addition to the basic financial statements themselves.



Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the district's finances, in a manner similar to a private-sector business.

The *statement of net position* focuses on resources available for future operations. It presents all of the district's assets and deferred outflows of resources and all of its liabilities and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating. This is only one measure; however, and the reader should consider other indicators such as general economic conditions in the district, changes in property tax base, and the age and condition of capital assets used by the district.

The *statement of activities* focuses on all of the current fiscal year's revenue and expenses. The statement presents information showing how the district's net position changed during the fiscal year. All changes in *net position* are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes). Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program relies on taxes or other general revenues for funding.

Both of the government-wide financial statements are reported under the governmental activities category. *Governmental activities* are supported by general revenue sources such as taxes, charges for services, and grants and contributions. These services include general government services (administration, information technology, human resources, risk management, financial services and community relations), planning and development, facility rental, park services and recreation services. The district has no business-type activities, which are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements can be found on pages 30-31 of this report.

Fund Financial Statements

A *fund* is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Major funds are separately reported while all others are combined into a single, aggregated presentation. All of the funds of the district can be classified into one category – governmental funds.

Governmental funds are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This short-term view of the district's financial position helps the reader evaluate the district's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the district's near-term funding decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

The district's governmental funds combined fund balances at June 30, 2023 were \$51.8 million while the net position was \$184.9 million a difference of \$133.1 million. The measurement criteria for each statement result in several significant differences between these two statements. Capital assets of \$161.5 million used in *governmental activities* are not financial resources and therefore are not included in fund balance but are part of *net position*. Liabilities of \$31.1 million which will be liquidated more than one year from balance sheet date are not reported on the Balance Sheet but are reported on the Statement of Net Position. Deferred outflows and inflows of resources, related primarily to reporting the district's defined benefit pension plan, are reported in the Statement of Net Position but not on the Balance Sheet. The full reconciliation can be found on page 37.

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

The *fund balances* of the district's governmental funds increased by \$8.8 million during fiscal year 2023 while the *net position* increased by \$13.8 million. This \$5.0 million difference is due to fiscal year transactions that are reported differently on each statement. Repayments of long-term debt of \$1.9 million and expenditures for the acquisition and development of capital assets of \$9.7 million are not reported as expenses on the statement of activities. Instead, they are reductions of noncurrent liabilities and additions to capital assets, respectively. Other reconciling items include depreciation and amortization, accrued expenses, and changes in accruals and deferrals netting an additional decrease in net position of \$6.6 million. The full reconciliation can be found on page 41 of this report.

The district maintains six individual governmental funds. Governmental funds are further classified as *general*, *special revenue*, *debt service*, and *capital projects* funds. Within each fund-type group, funds are additionally classified as *major* or *nonmajor* funds.

Individual fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (*major*) to the district taken as a whole. These financial statements report four *major* funds: General Fund, System Development Charges (SDC) Special Revenue Fund, General Obligation Bond Debt Service Fund, and Facility Reserve Capital Projects Fund. The other two *governmental funds* are combined into a single, aggregated presentation.

The district adopts an annual appropriated budget for all of its funds. To demonstrate compliance with the budget, budgetary comparison statements for all appropriated funds are provided following the notes to the financial statements.

The basic governmental fund financial statements can be found on pages 34-41 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44-80 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons for the General Fund and major special revenue funds.

The required supplementary information also includes historical information regarding the district's pension and other post-employment benefits (OPEB) activities. These schedules and related notes can be found on pages 82-89 of this report.

The combining statements and budget to actual schedules for the other major and nonmajor governmental funds are presented in the "Other Supplementary Information" section, and can be found on pages 92-97 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, *net position* may serve over time as a useful indicator of the district's financial position. As of June 30, 2023, the district had a positive net position balance (assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources) of \$184.9 million. This is an increase of \$13.8 million or 8.1% over the prior year.

The following is a condensed statement of net position and an analysis of the change in the district's financial position from the prior year:

Table 1 – Summary of Net Position

	Fiscal Year Ended June 30		Change
	2023	2022	
Governmental Activities			
Current and other assets	\$ 58,337,808	\$ 49,353,325	\$ 8,984,483
Capital assets, net	161,468,304	158,054,656	3,413,648
Total assets	219,806,112	207,407,981	12,398,131
Deferred outflows of resources	4,962,717	5,652,400	(689,683)
Current liabilities	8,439,466	8,012,961	426,505
Net pension liability	8,460,040	6,492,798	1,967,242
Noncurrent liabilities	19,669,895	21,404,407	(1,734,512)
Total liabilities	36,569,401	35,910,166	659,235
Deferred inflows of resources	3,288,083	6,060,221	(2,772,138)
Net position:			
Net investment in capital assets	139,169,739	133,922,361	5,247,378
Restricted	20,387,447	15,760,376	4,627,071
Unrestricted	25,354,159	21,407,257	3,946,902
Total net position	\$ 184,911,345	\$ 171,089,994	\$ 13,821,351

The most significant portion of the district's net position, approximately 75.3% (\$139.2 million), represents *its investment in capital assets* (land, buildings, park and trail improvements, vehicles, equipment and software, and right-of-use assets net of accumulated depreciation and amortization) less any related outstanding debt used to acquire those assets. The district uses these capital assets to provide services to district residents. Consequently, these assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, as the capital assets will not be liquidated to service the debt.

The district's portion of net position *restricted* for its OPEB-RHIA asset and use in its long-term capital projects and debt service requirements total \$20.4 million (11.0%) of the net position. The remaining \$25.4 million (13.7%) of the district's net position is *unrestricted* and may be used to meet the district's future obligations to community citizens and creditors.

Analysis of Changes in Net Position

As noted previously, the district's total change in net position resulting from operations was an increase of \$13.8 million or 8.1% during fiscal year 2023. Discussion and analysis of the changes for governmental activities are included below.

Table 2 – Summary of Changes in Net Position

	Fiscal Year Ended June 30		Change
	2023	2022	
Governmental Activities			
Revenues			
Program revenues:			
Charges for services	\$ 21,770,771	\$ 17,110,963	\$ 4,659,808
Operating grants and contributions	531,181	278,983	252,198
Capital grants and contributions	1,881,070	518,355	1,362,715
General revenues:			
Property taxes	23,681,202	22,357,913	1,323,289
Investment earnings	1,805,390	(210,598)	2,015,988
Other	259,238	351,226	(91,988)
Total revenues	49,928,852	40,406,842	9,522,010
Expenses			
General government	4,591,968	3,736,094	855,874
Planning and development	1,588,909	1,367,411	221,498
Facility rental	384,008	388,463	(4,455)
Park services	13,086,739	11,362,315	1,724,424
Recreation services	15,761,187	12,034,435	3,726,752
Interest on long-term debt	694,690	751,724	(57,034)
Total expenses	36,107,501	29,640,442	6,467,059
Change in net position	13,821,351	10,766,400	3,054,951
Net position - beginning of year	171,089,994	160,323,594	10,766,400
Net position - ending	\$ 184,911,345	\$ 171,089,994	\$ 13,821,351

Governmental Activities

Major impacts on the increase in net position include:

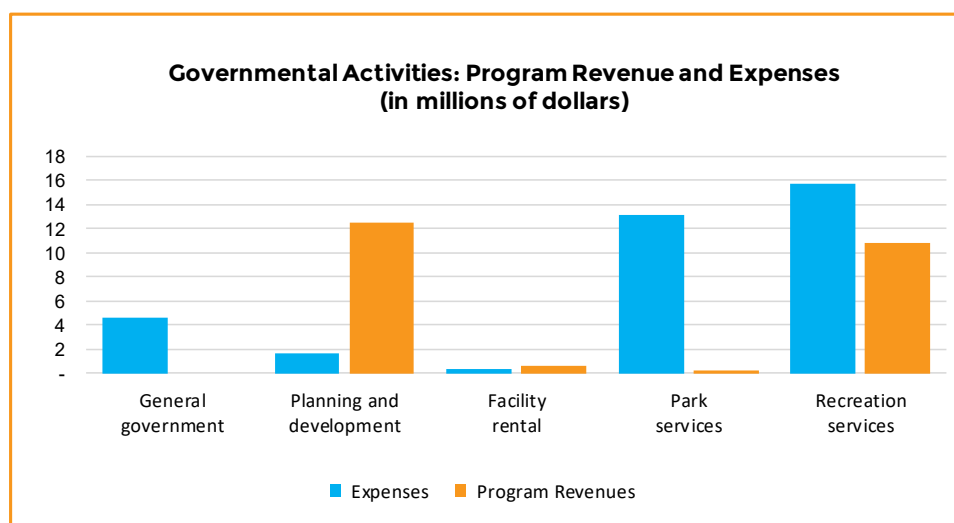
- Recreation and facility rental revenue included in charges for services increased by \$3.0 million (37.7%) compared to prior year, due to facilities and programs operating under full capacity for the entire 2023 fiscal year. Prior year resumed full capacity operations mid-year due to the COVID-19 pandemic. Recreation and facility rental expenses had a related increase of \$3.7 million (30.0%) due to an increase in staffing levels and associated program related operating expenses supporting full capacity operations.
- The district's property tax revenue from its permanent tax rate levied for general purposes increased by \$1.3 million (6.1%). This was due to a combination of statutorily allowable increases in assessed value on existing properties and new residential and commercial development.

- Planning and development charges for services revenues increased by \$1.6 million (18.1%) compared to prior year as a result of strong system development fee revenues due to continued growth in development of new homes and overnight visitor accommodations.
- Operating and capital grants and contributions increase by \$1.6M (202.5%) compared to prior year primarily due to grants and contributions received for the Drake Park Trail & Bank Improvement project and the Riverbend South Access and Restoration project.
- General revenues increase by \$3.2 million (14.4%) compared to prior year primarily due to an increase in property tax revenue and investment earnings of \$1.3 million and \$2.0 million respectively.
- Expenses for governmental activities increased by \$6.5 million (21.8%) from prior year. Increases were primarily due to total district personnel costs and materials and services increasing related to resuming year round full-service operations post COVID-19 pandemic closures along with planned increases in staffing and wage increases. Personnel costs accounted for \$3.4 million (52.5%) of the increase with recreation services accounting for 61.4% of the increase, general government and park services accounting for 34.8% of the increase, with the remaining increase split between the other functions. Materials and services accounted for \$2.4 million (37.6%) of the increase and were primarily due to increased program costs associated with recreation program operations of \$1.7 million, or 70.2% of the increase. The remaining increase is due to program support and inflationary cost increases across various expenses including insurance, utilities, maintenance, and IT support.

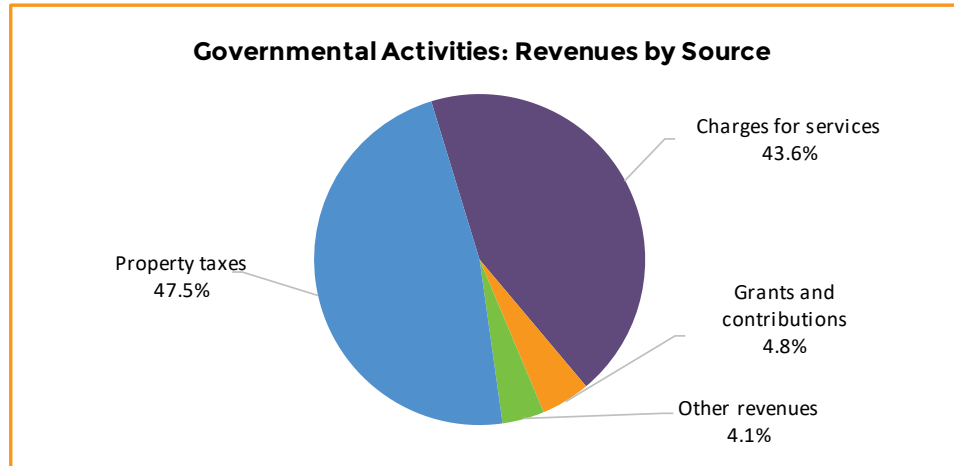
All of the district's governmental programs utilize general revenues to support their functions. Some programs such as general government and park services are fully dependent on general revenues to fund operations. Other programs, such as recreation services, are only subsidized by general revenues.

Program revenues generated by planning and development include system development charges of \$10.8 million. SDC revenues are expended on acquisitions and development of capital assets, not on operational expenses.

The following chart compares the revenues and expenses for each of the district's governmental programs and shows the extent of each program's dependence on general revenues for support in the current year.



The next chart shows the percent of the total for each source of revenue supporting governmental activities.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the district's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the district include the General Fund, Special Revenue Funds, Capital Project Funds, and a Debt Service Fund.

As of the end of fiscal year 2023, the district's governmental funds reported combined ending fund balances of \$51.8 million, which reflects an increase of \$8.8 million from the prior year's fund balances. Of the combined ending fund balances, \$1.6 million or 3.0% constitutes the *unassigned fund balance* in the appropriate fund types as shown in the Governmental Funds Balance Sheet on pages 34-35. The remainder of fund balance is classified as *nonspendable, restricted, committed, or assigned*. Amounts classified as restricted or committed are not available for new spending as they can only be used for their restricted or committed purpose. Changes, amounts and percentages, in the fund balances of the governmental funds were:

• General Fund	Increase of	\$	2.0 million or 21.6%
• System Development Charges Special Revenue Fund	Increase of	\$	4.5 million or 29.0%
• General Obligation Debt Service Fund	Decrease of	\$	0.05 million or 29.1%
• Facility Reserve Capital Projects Fund	Increase of	\$	2.2 million or 14.0%
• Nonmajor other governmental funds	Increase of	\$	0.1 million or 4.5%



Significant Changes in Major Funds

General Fund:

The General Fund is the primary operating fund of the district. Principal sources of revenue are property taxes, charges for services, investment earnings and sponsorships. Primary expenditures are made for personnel, materials and services, debt service - costs necessary to provide quality park maintenance, recreational, and planning, design, and development services for the community, along with general administration of the district's operations. As of June 30, 2023, the fund balance of the General Fund was \$11.1 million. Of this fund balance, \$9.5 million is nonspendable or assigned for future expenditures, and \$1.6 million is unassigned.

As a measure of the General Fund's liquidity, it may be useful to compare spendable fund balance to total fund expenditures. The General Fund's spendable fund balance (assigned and unassigned fund balances) represents 38.3% of total General Fund expenditures and 33.1% of total General Fund combined expenditures plus transfers out, exceeding the district's financial policy guideline of 17.0%. These percentages were 38.9% and 31.3%, respectively, in the prior year.

The General Fund's ending fund balance increased by \$2.0 million during fiscal year 2023. Revenues exceeded expenditures by \$5.8 million. These net resources along with transfers in were used to fund current and future capital expenditures through transfers to other funds in the amount of \$4.3 million.

As compared to the prior fiscal year, General Fund revenues increased by \$5.6 million (19.8%) primarily due to a \$2.9 million (38.3%) increase in recreation charges for services, a \$1.3 million (6.3%) increase in property tax collections, a \$1.2 million (311.8%) increase in investment earnings, and a \$0.3 million (92.8%) increase in contributions, grants, sponsorship, and intergovernmental. These increases were offset by a \$0.1 million (19.7%) decrease in reimbursement for services and miscellaneous revenue.

Expenditures increased by \$5.1 million (22.3%) compared to prior fiscal year. A majority of the increase was a result of a programs and services operating at full capacity (year round), after the COVID-19 pandemic closure was lifted with recreation services accounting for 58.4% and park services accounting for 18.2% of the increase.

System Development Charges Special Revenue Fund:

This fund is used to account for development fees assessed on new residential construction within the district boundaries, and is expended on the acquisition and development of parks and trails. Fiscal year 2023 experienced an increase in total revenues of \$3.0 million (33.0%) compared to the prior fiscal year. Of the increase, \$1.8 million (54.1%) was due to SDC fee collections resulting from a combination of SDC tiered rates increases of 9.8% and an increase in number of building permits issued compared to prior year. The district experienced an 8.7% decrease in the average per unit SDC fee collected due to the mix of building permits issued (e.g. multi-family vs. single family); however, an increase of 37.0% in the number of underlying units for permits issued offset the per unit decrease. The remaining 45.9% of the increase was due to \$1.0 million in intergovernmental revenue for the Drake Park project, \$0.4 million in investment earnings, and \$0.1 million in miscellaneous revenue.

Capital outlay in this the SDC Fund was \$7.3 million, a 13.8% decrease from the prior year, due to a multiple large projects being primarily completed in FY 2022, including Northpointe Park and Alpenglow Park. In addition, FY 2023 incorporated work on planning and design phases for multiple projects in preparation for increased capital expenditure in future years. In the current year, the Drake Park and Big Sky Expansion projects made up 95.5% of the capital outlay in the SDC Fund. The ending fund balance increased by \$4.5 million from the prior year balance. This fund balance of \$20.1 million is entirely restricted by state law for capacity-enhancing and reimbursement projects for park and trail facilities within the district.

Refer to the *2024-2028 Adopted 5-Year Capital Improvement Plan* on the district's website for more information on future CIP projects (<https://www.bendparksandrec.org/wp-content/uploads/2023/06/2024-2028-Adopted-5-Year-Capital-Improvement-Plan-reduced-size.pdf>).

General Obligation Bond Debt Service Fund:

This debt service fund accounts for the accumulation of resources, primarily property tax revenue, to pay principal and interest payments on the 2013 general obligation bonded debt. The fund balance of \$0.1 million is restricted by state law for debt service.

Facility Reserve Capital Projects Fund:

This capital projects fund accounts for major capital project activities of the district that are not accounted for in the SDC Fund. The principal financing source is from a transfer of property tax revenue from the General Fund. It also receives revenues from capital-related grants and contributions. This fund's ending fund balance of \$18.1 million increased by \$2.2 million over the prior fiscal year. Capital outlay increased by \$0.4 million (30.9%), primarily due to multiple CIP projects including Drake Park, Big Sky Expansion, Riverbend South River Restoration, Hollygrape Park Access Improvements, and the McKay, Miller's Landing and Columbia Parks (MMC) River Access project.

The Facility Reserve Fund has \$2.0 million in reserves for construction of the new Art Station, \$2.6 million for the purpose of future asset management (major renovation and replacement of capital assets as they end their useful life), and \$9.2 million in reserves for a new park maintenance facility. The fund balance of \$18.1 million is committed for the purposes of land acquisitions, park development, and other facility-related capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget and Actual Results

There were no budget adjustments between the General Fund's original budget and the final budget in fiscal year 2023. For the fiscal year, actual revenues were greater than budgeted amounts by 8.9%, primarily due to an increase in property tax revenues, charges for services, and investment earnings. Actual expenditures were 80.8% of the budgeted expenditures. The underspending of budgeted expenditures is primarily composed of \$5.0 million (75.6%) of unspent operating contingency.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the district had invested just under \$161.5 million in capital assets (net of accumulated depreciation). This investment in capital assets includes land, parks, trails, buildings and improvements, equipment and furnishings, and right-of-use lease and subscription assets. Capital assets increased by a net amount (additions, deductions and depreciation) of \$3.4 million over the prior year, or 2.1%. The majority of the capital expenditures (75.6%) occurred in the System Development Charges Fund followed by the Facility Reserve Fund (15.9%), with the remaining 5.9% and 2.6% of expended from the Equipment Reserve Fund and the General Fund respectively.

**Table 3 – Capital Assets (Net of Accumulated Depreciation and Amortization)**

	June 30		Change
	2023	2022	
Governmental Activities			
Land including right-of-way	\$ 58,648,023	\$ 58,348,023	\$ 300,000
Construction in progress	10,020,355	16,667,562	(6,647,207)
Artwork	230,000	230,000	-
Buildings and building improvements	39,216,489	40,819,457	(1,602,968)
Improvements other than buildings	51,660,411	40,744,271	10,916,140
Vehicles, equipment and software	1,410,453	1,143,775	266,678
Right-of-use	282,573	101,568	181,005
Total capital assets	<u>\$ 161,468,304</u>	<u>\$ 158,054,656</u>	<u>\$ 3,413,648</u>

Significant capital asset additions, were as follows:

- Construction of community parks including Drake and Big Sky in the amount of \$6.4 million and \$1.5 million respectively.
- Completion of the Riverbend South Access and Restoration Project in the amount of \$655,000 including \$410,000 of developer contributed assets.
- Addition of nine fleet vehicles totaling \$466,000.
- Donated land for the Drake Park project valued at \$300,000.
- Addition of \$251,000 in right-of-use subscription assets due to the implementation of GASB 96.
- Completion of the Hollygrape Park Access Improvement project totaling \$149,000.
- Completion of the Alpenglow Park project in the amount of \$110,000.
- Design and engineering for Sawyer Park totaling \$110,000.
- Design and engineering for McKay, Miller's Landing and Columbia Parks (MMC) River Access Project totaling \$110,000.
- Offsetting these additions were depreciation and retirements of assets.

Additional information on the district's capital assets is included in Note 3 on pages 57-58 of this report.

Debt Administration

As of June 30, 2023, the district had \$20.9 million in debt outstanding, which decreased by \$1.9 million compared to prior year.

Table 4 – Outstanding Debt as of June 30

	June 30		Change
	2023	2022	
Governmental Activities			
General obligations bonds	\$ 19,010,000	\$ 20,325,000	\$ (1,315,000)
Premium on general obligation bonds	924,786	1,017,265	(92,479)
Loan payable	975,201	1,447,013	(471,812)
Total outstanding debt	<u>\$ 20,909,987</u>	<u>\$ 22,789,278</u>	<u>\$ (1,879,291)</u>

The general obligation bonds, related to park and recreation facilities, will be paid off in fiscal year 2033. Of the amount outstanding at year-end, \$1,410,000 is due within one year and will be paid from the GO Bond Debt Service Fund. The loan payable will be paid off in fiscal year 2025. Of the amount outstanding at year-end for the loan payable, \$482,661 is due within one year, and is paid from the General Fund.

Moody's Investors Service has assigned a credit rating of Aa2 to the district for its general obligation bonds.

State statutes limit the amount of general obligation debt that park and recreation districts may issue up to 2.5% of all the real market value (RMV) of all taxable properties within the district as reflected in the last certified assessment roll. With a real market value of \$38.1 billion, the current debt limitation for the district is \$953.6 million. As of June 30, 2023, the district's remaining general obligation debt capacity is \$934.6 million. The district's general obligation debt at June 30, 2023 of \$19.0 million represents 2.0% of its capacity.

Additional information on the district's long-term debt and other long-term obligations is included in Note 7 on pages 62-63 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

- Based on preliminary estimates from Portland State University Population Research Center, the city of Bend's population increased to 105,524 as of July 1, 2023, which is just over 50% of Deschutes County's population. Over the past ten years, Bend's population has increased by nearly 32% and continues to be one of the fastest growing cities in the country.
- As our district continues to grow in population, and with park and trail additions, we continue to respond by shifting and balancing priorities to ensure the district's financial stability in an ever-changing environment. Budget development always has its share of unknown variables that we try to anticipate and prepare for, and in this regard, developing the 2023-24 budget is no different from any other year. We saw increased costs in personnel with inflation, increases in unemployment taxes, workers compensation insurance, health insurance, and Paid Leave Oregon.
- The district's General Fund is dependent upon property taxes, charges for services, grants, contributions and investment earnings to support its operations. Property taxes made up approximately 65.1% and charges for services provided 31.1% of the General Fund's total revenue sources. With the local community's population and economic growth, the district's Assessed Valuation of Taxable Property (which property tax revenue is based on) increased from fiscal year 2022 to fiscal year 2023 by 6.2% to \$15.5 billion. The real market value of taxable property within the district increased by an even greater 30.2% to \$38.1 billion.
- The community continues to experience significant growth, which reflects the need for the district to continue to provide its current level of service in parks, trails, and recreation facilities over the upcoming years while also focusing on growing our offerings to meet the increased needs of district households.

The district's budget planning process starts with the district's vision, mission and value statements. These statements serve the purpose of defining for the public, staff and Board of Directors why our organization exists, who we serve and how we serve them. These guiding statements, shown below, drive the district's budgetary priorities.



Our vision:

To be a leader in building a community connected to nature, active lifestyles and one another.

Our mission:

To strengthen community vitality and foster healthy, enriched lifestyles by providing exceptional park and recreation services.

We value:

- **Excellence** by striving to set the standard for quality programs, parks and services through leadership, vision, innovation and dedication to our work.
- **Environmental Sustainability** by helping to protect, maintain and preserve our natural and developed resources.
- **Fiscal Accountability** by responsibly and efficiently managing the financial health of the district today and for generations to come.
- **Inclusiveness** by reducing physical, social and financial barriers to our programs, facilities and services.
- **Partnerships** by fostering an atmosphere of cooperation, trust and resourcefulness with our patrons, coworkers, and other organizations.
- **Customers** by interacting with people in a responsive, considerate and efficient manner.
- **Safety** by promoting a safe and healthy environment for all who work and play in our parks, facilities and programs.
- **Staff** by honoring the diverse contributions of each employee and volunteer, and recognizing them as essential to accomplishing our mission.

REQUESTS FOR INFORMATION

The district's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the district's finances and to demonstrate the district's accountability. Questions concerning information provided in this report or requests for additional financial information should be addressed to Bend Metro Park and Recreation District Finance Department, 799 SW Columbia Street, Bend, Oregon 97702.

BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS





Bend Metro Park and Recreation District, Oregon
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 54,055,385
Property taxes receivable	494,701
System development fees receivable	1,662,384
Accounts receivable	176,761
Due from other governments	812,938
Leases receivable	54,529
Accrued interest	1,459
Prepaid expenses	442,330
Total current assets	<u>57,700,487</u>
Noncurrent assets:	
Leases receivable	484,187
Capital assets, net of accumulated depreciation:	
Land, construction in progress and artwork	68,898,378
Buildings, improvements, infrastructure, equipment, and software	92,287,353
Right-of-use	<u>282,573</u>
Total capital assets	161,468,304
Net OPEB asset - PERS RHIA Plan	<u>153,134</u>
Total noncurrent assets	<u>162,105,625</u>
Total assets	<u>219,806,112</u>
Deferred outflows of resources	
Deferred outflows from debt refunding	27,922
Deferred outflows from pensions	4,794,777
Deferred outflows from OPEB	<u>140,018</u>
Total deferred outflows of resources	<u>4,962,717</u>
Liabilities	
Current liabilities:	
Accounts payable	1,165,154
Accrued payroll liabilities	884,029
Other accrued liabilities	286,120
Retainage payable	433,745
Deposits payable	78,442
Accrued interest payable	60,085
Unearned revenue	2,668,599
Compensated absences	893,338
Leases and subscriptions payable	77,293
Bonds and loans payable	<u>1,892,661</u>
Total current liabilities	<u>8,439,466</u>
Noncurrent liabilities:	
Net pension liability	8,460,040
OPEB liability - Health Insurance Continuation Plan	465,258
Leases and subscriptions payable	187,311
Bonds and loans payable	<u>19,017,326</u>
Total noncurrent liabilities	<u>28,129,935</u>
Total liabilities	<u>36,569,401</u>
Deferred inflows of resources	
Deferred inflows from pensions	2,637,837
Deferred inflows from OPEB	137,096
Deferred inflows from Leases	<u>513,150</u>
Total deferred inflows of resources	<u>3,288,083</u>
Net position	
Net investment in capital assets	139,169,739
Restricted for:	
OPEB-RHIA Asset	153,134
Capital projects	20,122,789
Debt service	111,524
Unrestricted	<u>25,354,159</u>
Total net position	<u>\$ 184,911,345</u>

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

**Bend Metro Park and Recreation District, Oregon
Statement of Activities
For the Fiscal Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 4,591,968	\$ -	\$ -	\$ -	\$ (4,591,968)
Planning and development	1,588,909	10,772,411	-	1,674,943	10,858,445
Facility rental	384,008	643,085	-	-	259,077
Park services	13,086,739	-	62,000	206,127	(12,818,612)
Recreation services	15,761,187	10,355,275	469,181	-	(4,936,731)
Interest on long-term debt	694,690	-	-	-	(694,690)
Total governmental activities	<u>\$ 36,107,501</u>	<u>\$ 21,770,771</u>	<u>\$ 531,181</u>	<u>\$ 1,881,070</u>	<u>\$ (11,924,479)</u>
General revenues:					
Property taxes:					
Levied for general purposes					21,712,600
Levied for bonded debt					1,968,602
Investment earnings					1,805,390
Miscellaneous revenues					259,238
Total general revenues					<u>25,745,830</u>
Change in net position					13,821,351
Net position, July 1, 2022					<u>171,089,994</u>
Net position, June 30, 2023					<u>\$ 184,911,345</u>

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

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FUND FINANCIAL STATEMENTS





Bend Metro Park and Recreation District, Oregon
Balance Sheet
Governmental Funds
June 30, 2023

	General	System Development Charges	General Obligation Debt Service
Assets			
Pooled cash and investments	\$ 14,238,478	\$ 18,699,192	\$ 102,028
Receivables:			
Property taxes	452,703	-	41,998
System development fees	-	1,662,384	-
Accounts	149,914	-	-
Leases	538,716	-	-
Accrued interest	1,459	-	-
Due from other governments	-	812,938	-
Prepaid items	426,711	-	-
Total assets	<u>\$ 15,807,981</u>	<u>\$ 21,174,514</u>	<u>\$ 144,026</u>
Liabilities			
Accounts payable	\$ 380,134	\$ 617,980	\$ -
Accrued payroll liabilities	875,467	-	-
Other current liabilities payable	286,120	-	-
Retainage payable	-	433,745	-
Deposits payable	-	-	-
Unearned revenue	2,303,771	-	-
Total liabilities	<u>3,845,492</u>	<u>1,051,725</u>	<u>-</u>
Deferred inflow of resources			
Unavailable revenue - property taxes	350,791	-	32,502
Unavailable revenue - leases	513,150	-	-
Total deferred inflow of resources	<u>863,941</u>	<u>-</u>	<u>32,502</u>
Fund balances			
Nonspendable:			
Prepaid items	426,711	-	-
Leases	25,566	-	-
Restricted for:			
Capital projects	-	20,122,789	-
Debt service	-	-	111,524
Committed to:			
Capital projects - facilities	-	-	-
Capital projects - equipment	-	-	-
Facility rental activities	-	-	-
Assigned:			
Future expenditures	9,075,427	-	-
Unassigned:	1,570,844	-	-
Total fund balances	<u>11,098,548</u>	<u>20,122,789</u>	<u>111,524</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 15,807,981</u>	<u>\$ 21,174,514</u>	<u>\$ 144,026</u>

(continued)

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

Bend Metro Park and Recreation District, Oregon
Balance Sheet, continued
Governmental Funds
June 30, 2023

	Facility Reserve	Other Governmental	Total
Assets			
Pooled cash and investments	\$ 18,440,238	\$ 2,575,449	\$ 54,055,385
Receivables:			
Property taxes	-	-	494,701
System development fees	-	-	1,662,384
Accounts	1,188	25,659	176,761
Leases	-	-	538,716
Accrued interest	-	-	1,459
Due from other governments	-	-	812,938
Prepaid items	15,000	619	442,330
Total assets	<u>\$ 18,456,426</u>	<u>\$ 2,601,727</u>	<u>\$ 58,184,674</u>
Liabilities			
Accounts payable	\$ 159,519	\$ 7,521	\$ 1,165,154
Accrued payroll liabilities	-	8,562	884,029
Other current liabilities payable	-	-	286,120
Retainage payable	-	-	433,745
Deposits payable	-	78,442	78,442
Unearned revenue	190,000	174,828	2,668,599
Total liabilities	<u>349,519</u>	<u>269,353</u>	<u>5,516,089</u>
Deferred inflow of resources			
Unavailable revenue - property taxes	-	-	383,293
Unavailable revenue - leases	-	-	513,150
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>896,443</u>
Fund balances			
Nonspendable:			
Prepaid items	15,000	619	442,330
Leases	-	-	25,566
Restricted for:			
Capital projects	-	-	20,122,789
Debt service	-	-	111,524
Committed to:			
Capital projects - facilities	18,091,907	-	18,091,907
Capital projects - equipment	-	606,294	606,294
Facility rental activities	-	1,725,461	1,725,461
Assigned:			
Future expenditures	-	-	9,075,427
Unassigned:	-	-	1,570,844
Total fund balances	<u>18,106,907</u>	<u>2,332,374</u>	<u>51,772,142</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 18,456,426</u>	<u>\$ 2,601,727</u>	<u>\$ 58,184,674</u>

(concluded)

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

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**Bend Metro Park and Recreation District, Oregon
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023**

Total fund balances for governmental funds		\$ 51,772,142
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 funds.		161,468,304
Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds:		
Deferred outflows from debt refunding		27,922
Deferred outflows from pensions		4,794,777
Deferred outflows from OPEB		140,018
Net OPEB asset		153,134
Deferred revenues are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds' balance sheet:		
Unavailable property taxes		383,293
Long-term debt payable are not due and payable in the current period and are not reported in the governmental funds.		(20,909,987)
Net pension liability		(8,460,040)
Other long-term liabilities and deferred inflows or resources are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest	\$ (60,085)	
Compensated absences	(893,338)	
Leases and subscriptions payable	(264,604)	
Other postemployment benefits	(465,258)	
Deferred inflows of resources from pensions	(2,637,837)	
Deferred inflows of resources from OPEB	(137,096)	
Total noncurrent liabilities and accrued interest		<u>(4,458,218)</u>
Net position of governmental activities		<u><u>\$184,911,345</u></u>

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



Bend Metro Park and Recreation District, Oregon
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	System Development Charges	General Obligation Debt Service
Revenues			
Property taxes	\$ 21,695,563	\$ -	\$ 1,968,602
Charges for services	10,355,275	-	-
System development fees	-	10,772,411	-
Contributions	26,381	-	-
Grants	442,000	-	-
Sponsorships	57,800	-	-
Intergovernmental	11,600	964,547	-
Investments	805,860	464,525	34,847
Reimbursement for interfund services	77,467	-	-
Miscellaneous	137,855	85,643	-
Total revenues	<u>33,609,801</u>	<u>12,287,126</u>	<u>2,003,449</u>
Expenditures			
Current:			
Director's office and administrative services	3,489,676	-	-
Community relations	805,829	-	-
Facility rental program	-	-	-
Park services	7,637,876	-	-
Recreation services	13,466,109	-	-
Strategic planning and design	1,585,516	169,410	-
Debt service			
Principal	541,827	-	1,315,000
Interest	41,251	-	734,731
Capital outlay	250,778	7,349,265	-
Total expenditures	<u>27,818,862</u>	<u>7,518,675</u>	<u>2,049,731</u>
Excess (deficiency) of revenues over expenditures	<u>5,790,939</u>	<u>4,768,451</u>	<u>(46,282)</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	-
Right-of-use proceeds	233,858	-	-
Transfers in	248,232	-	-
Transfers out	(4,300,000)	(248,232)	-
Total other financing sources (uses)	<u>(3,817,910)</u>	<u>(248,232)</u>	<u>-</u>
Net change in fund balances	1,973,029	4,520,219	(46,282)
Fund balances, July 1, 2022	9,125,519	15,602,570	157,806
Fund balances, June 30, 2023	<u>\$ 11,098,548</u>	<u>\$ 20,122,789</u>	<u>\$ 111,524</u>

(continued)

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

Bend Metro Park and Recreation District, Oregon
Statement of Revenues, Expenditures, and Changes in Fund Balance, continued
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Facility Reserve	Other Governmental	Total
Revenues			
Property taxes	\$ -	\$ -	\$ 23,664,165
Charges for services	-	643,085	10,998,360
System development fees	-	-	10,772,411
Contributions	-	-	26,381
Grants	150,000	5,000	597,000
Sponsorships	-	-	57,800
Intergovernmental	51,127	-	1,027,274
Investments	431,608	68,550	1,805,390
Reimbursement for interfund services	-	-	77,467
Miscellaneous	-	29,140	252,638
Total revenues	<u>632,735</u>	<u>745,775</u>	<u>49,278,886</u>
Expenditures			
Current:			
Director's office and administrative services	-	20,045	3,509,721
Community relations	-	-	805,829
Facility rental program	-	357,716	357,716
Park services	85,050	15,606	7,738,532
Recreation services	785,165	-	14,251,274
Strategic planning and design	-	-	1,754,926
Debt service			
Principal	-	-	1,856,827
Interest	-	-	775,982
Capital outlay	<u>1,545,206</u>	<u>572,706</u>	<u>9,717,955</u>
Total expenditures	<u>2,415,421</u>	<u>966,073</u>	<u>40,768,762</u>
Excess (deficiency) of revenues over expenditures	<u>(1,782,686)</u>	<u>(220,298)</u>	<u>8,510,124</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	21,740	21,740
Right-of-use proceeds	-	-	233,858
Transfers in	4,000,000	300,000	4,548,232
Transfers out	-	-	(4,548,232)
Total other financing sources (uses)	<u>4,000,000</u>	<u>321,740</u>	<u>255,598</u>
Net change in fund balances	2,217,314	101,442	8,765,722
Fund balances, July 1, 2022	<u>15,889,593</u>	<u>2,230,932</u>	<u>43,006,420</u>
Fund balances, June 30, 2023	<u>\$ 18,106,907</u>	<u>\$ 2,332,374</u>	<u>\$ 51,772,142</u>

(concluded)

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

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Bend Metro Park and Recreation District, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net change in fund balances - total governmental funds \$ 8,765,722

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. Also, various miscellaneous transactions involving capital assets (i.e. disposals, donations, etc.) impact the net position.

Capital asset additions	\$ 9,717,955	
Capital asset contributions	710,396	
Capitalized labor additions	91,479	
Depreciation/amortization expense	(6,592,340)	
Gain (loss) on disposal of capital assets	<u>(513,842)</u>	
Total net effect of capital assets		3,413,648

Revenues in the Statement of Activities that do not provide current financial resources, are not reported as revenues in the funds (i.e. the change in unavailable revenue - property taxes). 17,037

The issuance of long-term debt and the recognition of leases and subscriptions provides current financial resources to governmental funds, while the repayment of the principal of long-term debt, lease payments, and subscription payments consume the current financial resources of governmental funds. These transactions do not have any effect on net position. This is the amount by which bond principal retirement, lease payments, and subscription payments exceeded bond, lease, and subscription proceeds in the current period.

Leases and subscription (right-of-use) financing	\$ (233,858)	
Long-term debt principal payments	1,786,812	
Lease and subscription principal payments	<u>70,015</u>	
Total net effect of long-term debt		1,622,969

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental funds.

Amortization of deferred charge on refunding	\$ (13,961)	
Amortization of bond premium	92,479	
Accrued interest payable	2,774	
Accrued compensated absences	(80,234)	
Accrued pension expense	(1,770)	
Accrued OPEB expense	<u>2,687</u>	
Total net effect of items that are not expenses		<u>1,975</u>

Total adjustments for fiscal year ended June 30, 2023 5,055,629

Change in net position, June 30, 2023 \$ 13,821,351

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

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NOTES TO THE FINANCIAL STATEMENTS





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Note 1 – Summary of Significant Accounting Policies

The financial statements of the Bend Metro Park and Recreation District (the district) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. The more significant of the district's policies are described below.

A. Reporting Entity

The Bend Metro Park and Recreation District, Oregon, was formed on May 28, 1974, as an Oregon municipal corporation under the ORS for special districts. The Board of Directors, composed of five elected board members, forms the legislative branch of the district government, while the Executive Director acts as the administrative head. As its mission, the district acquires, develops, and maintains parks, trails and natural areas for the use and benefit of the district residents; provides a diverse selection of quality recreational programs and classes; and owns, operates and maintains recreational facilities, including the Juniper Swim and Fitness Center, the Larkspur Community Center, home of the Bend Senior Center, the Pavilion, the Art Station, Aspen Hall and Hollinshead Barn. The accounts of the district are organized on the basis of funds. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating government functions and activities. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances (net position), revenues, and expenditures (expenses).

As required by generally accepted accounting principles (GAAP), the financial statements present data for all funds of the district.

According to GAAP, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units. The district has no component units; in addition, the district is not included in any other governmental "reporting entity" as defined by GAAP.

B. Government-wide and Fund Financial Statements

The government-wide financial statements report information on all activities of the district. As a general rule, the effect of interfund activity has been eliminated from these statements; however, interfund services provided and used are not eliminated.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include 1) fees and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. The major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1 – Summary of Significant Accounting Policies, continued**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial or economic resources. Basis of accounting indicates the timing of transactions or events for recognition in financial statements.

Government-wide Financial Statements

The 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 in the year for which the taxes are levied. Non-exchange transactions, in which the district gives, or receives, value without directly receiving or giving equal value in exchange, include property taxes, grants, and contributions. Grants and contributions are recognized when all eligibility requirements imposed by the provider have been satisfied. The effect of interfund activity such as transfers, advances and loans is eliminated.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the 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 within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the district considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal year. A 60-day availability period is also used for revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditure-driven grants are recorded as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, certain post-employment benefits, and claims and judgments expenditures are recorded at the time such payment is due. Capital asset transactions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Property taxes are assessed on a July 1 – June 30 fiscal year basis. The taxes are levied as of July 1 based on assessed values as of January 1. Property tax payments are due in three equal installments, on November 15, February 15 and May 15. A discount of 3% is available if taxes are paid in full by November 15 and a discount of 2% on the unpaid balance is available if taxes are paid in full by February 15. Property taxes attach as an enforceable lien July 1 and are considered delinquent if not paid by the following May 15. The Deschutes County Treasurer is the tax collection agent for the district. The district's 2023 fiscal year permanent tax levy and the General Obligation Bond tax levy were \$22,246,776 and \$2,017,181, respectively.

Tax revenue is considered available for expenditure upon receipt by the County, which serves as the intermediary collection agency. Uncollected property taxes are shown on the governmental balance sheet as receivables. Collections within sixty days subsequent to year-end have been accrued and the remaining taxes receivable are recorded as a deferred inflow of resources on the modified accrual basis of accounting since they are not deemed available to finance operations of the current period.

Only the portion of recreation charges for services, due within the current fiscal year, is considered to be susceptible to accrual as revenue of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the district.

Note 1 – Summary of Significant Accounting Policies, continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Governmental Funds

Governmental funds finance all governmental functions of the district. The acquisition, use, and balances of the district's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in current financial resources, rather than upon net income determination. Currently, the district has only governmental funds, and no proprietary or fiduciary funds. The following are the district's major governmental funds:

General Fund – The General Fund is the general operating fund of the district. Principal sources of revenue are property taxes, charges for services, intergovernmental revenues and contributions. Primary expenditures of the General Fund are made for personnel and materials and services costs necessary to provide quality maintenance, recreation, planning, design, and development services for the community, and for the general administration of the district's operations.

System Development Charges Special Revenue Fund – The System Development Charges Special Revenue Fund is used to account for the acquisition and development of parks and trails. Financing is provided by a system development fee levied against developing properties. Expenditures are restricted by state law to capacity-enhancing and reimbursement projects for park and trail facilities.

General Obligation Debt Service Fund – The General Obligation Debt Service Fund accounts for the accumulation of resources to pay principal and interest on certain general obligation long-term bonded debt. The primary source of revenue is property taxes.

Facility Reserve Capital Projects Fund – The Facility Reserve Capital Projects Fund accounts for major capital project activities. Principal revenue is from a transfer in from the General Fund. Primary expenditures of the fund are land acquisitions, park development, asset management, and other facility-related capital projects.

Other Governmental Funds

Other governmental funds include all non-major funds of the district. Following are the district's other governmental funds, one special revenue fund and one capital project fund:

Facility Rental Special Revenue Fund
Equipment Reserve Capital Projects Fund

D. Use of Estimates

The preparation of the 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 financial statements and reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

E. Self-insurance

The district retains a portion of the risk of loss for medical, dental and vision employee benefits. Claims expense is reduced by amounts recovered or expected to be recovered. Claims expense is accounted for in the district's basic financial statements in the General Fund.

Note 1 – Summary of Significant Accounting Policies, continued**F. Cash, Cash Equivalents and Investments**

The district maintains a common cash, cash equivalents and investments pool for substantially all district funds. All short-term, highly-liquid investments, including investments in the State Treasurer's Local Government Investment Pool (LGIP) where the remaining maturity at the time of purchase is one year or less are stated at fair value. Fair value of the investment in the LGIP is the same as the value of the pool shares. Interest earned on the pooled monies is apportioned and credited to each fund monthly, based on the average daily balances of each participating fund.

G. Receivables

All operation and property tax receivables are shown net of an allowance for uncollectible amounts.

H. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the governmental funds and in the government-wide financial statements under the consumption method of accounting.

I. Capital Assets

Capital assets include land, artwork, buildings, improvements, vehicles and equipment, and other tangible and intangible (including right-of-use) assets with an initial individual cost of more than \$5,000 and have initial useful lives extending beyond a single reporting period.

All capital assets have been capitalized in the government-wide financial statements. In accordance with the current financial resources measurement focus, capital assets are not capitalized in the governmental fund financial statements. All constructed and acquired capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Historical cost is measured by the cash or cash equivalent price of obtaining an asset including ancillary charges necessary to place the asset into its intended location for use. Donated capital assets are reported at acquisition value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Amounts for maintenance and repairs are charged to expenditures/expenses in the appropriate funds as incurred and are not capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land, rights-of-way, and artwork). Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed using the straight-line basis over the estimated useful lives of the capital assets. All estimates of useful lives are based on actual experience by the district with identical or similar capital assets. Amortization of right-of-use lease and subscription assets are computed using the straight-line method over the term of the lease or subscription.

Note 1 – Summary of Significant Accounting Policies, continued

I. Capital Assets, continued

The estimated useful lives of the various categories of assets are as follows:

<u>Category</u>	<u>Estimated Useful Life</u>
Buildings and building improvements	10 to 50 years
Improvements other than buildings	20 years
Vehicles, equipment and software	5 to 10 years
Right-of-use	depends on the life of the lease or subscription

Upon disposal of capital assets, cost and accumulated depreciation or amortization are removed from the accounts and, if appropriate, a gain or loss on the disposal is recognized.

General capital assets are reported net of accumulated depreciation or amortization in the governmental activities column in the government-wide Statement of Net Position. Depreciation and amortization expense on general capital assets is reported in the government-wide Statement of Activities as expenses.

J. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. The separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then.

Deferred inflows of resources are reported on the governmental funds balance sheet as a result of reporting using the modified accrual method. The government funds report unavailable revenues from property taxes and leases; these amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

K. Compensated Absences

Liabilities for vacation pay are recorded in the Statement of Net Position when vested or earned by employees. Payment of vacation pay to any employee is liquidated from the General and Facility Rental funds which have been used to record the personnel cost of the employee immediately prior to separation. Sick leave pay does not vest and is recorded as leave is taken.

L. Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Post-Employment Benefits Other Than Pensions (OPEB)

The district participates in a multi-employer cost sharing defined benefit plan administered by the Oregon Public Employees Retirement System (OPERS) known as RHIA (other post-employment benefits - OPEB). For purposes of measuring the net OPEB asset or liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS.

Note 1 – Summary of Significant Accounting Policies, continued**M. Post-Employment Benefits Other Than Pensions (OPEB), continued**

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The district sponsors a self-pay early retirement health insurance continuation program for its retirees. The implicit rate subsidy for this retiree health insurance benefit OPEB plan is described in detail in Note 12. The net OPEB obligation, deferred outflows of resources and deferred inflows of resources related to this program were determined by an external actuarial valuation.

N. Unearned, Unavailable Revenue

Governmental funds recognize deferred outflows in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. The district's unearned revenue is related to payments received prior to June 30 for recreation programs or facility reservations that occur July 1 or after. The district does not record unearned revenue for the annual or quarterly passes for use at its recreation facilities.

O. Fund Balance Reporting

The district reports its governmental fund balances in accordance with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Under GASB 54, fund balances are required to be reported according to the following classifications:

1. *Nonspendable* fund balance category includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes prepaid and lease receivable amounts.
2. *Restricted* fund balance category includes resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).
3. *Committed* fund balance category includes amounts that can be used only for specific purposes because of a resolution approved by the formal action of the district's governing board (the district's highest level of decision-making authority). Such constraint remains binding unless removed in the same manner.
4. *Assigned* fund balance category is intended to be used by the district for specific purposes but does not meet the criteria to be classified as restricted or committed. Assigned fund balance also includes the amount of ending fund balance that has been appropriated in next year's budget. Intent is expressed when the district's fund balance category is intended to be used by the district for specific purposes but does not meet the criteria to be classified as restricted or committed. Intent is also expressed when the district's Board of Directors approves which resources should be "set-aside" during the adoption of the upcoming fiscal year's annual budget. The district's Executive Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the district's Audited Financial Statements.
5. *Unassigned* fund balance is the residual classification for the district's General Fund and includes all spendable amounts not contained in the other classifications.

Note 1 – Summary of Significant Accounting Policies, continued

P. Fund Balance Policy

The district's Board of Directors adopted a General Fund Minimum Fund Balance Policy. The fund balance of the district's General Fund has been accumulated to meet the purpose of providing stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unrestricted fund balance of not less than 17% of annual operating expenditures for the fiscal year. In the event that the General Fund minimum fund balance decreases to a level below the target level established in this policy, the district will develop a plan to restore reserves to the targeted level.

When an expenditure is incurred for purposes for which amounts in any of the fund balance classifications could be used, it shall be the policy of the district to spend the most restricted dollars before less restricted in the following order:

1. Nonspendable (as funds become spendable)
2. Restricted
3. Committed
4. Assigned
5. Unassigned

Q. Leases

Leases are recognized in accordance with GASB Statement No. 87, Leases.

A lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease receivable is recognized at the net present value of the leased asset at a borrowing rate either explicitly described in the agreement or implicitly determined by the district, and is reduced by principal payments received. The deferred inflow of resources is recognized in an amount equal to the sum of the lease receivable and any payments relating to a future period which were received prior to the lease commencement. These deferred inflows of resources are amortized using the straight-line method over the term of the lease.

A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments, and is adjusted over time by interest and payments. Future lease payments include fixed payments, variable payments based on index or rate, and reasonably certain residual guarantees. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement, and is subsequently amortized over the life of the lease. In the government-wide statements, deferred inflows related to leases and any respective right-to-use assets are reported in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources. Under modified accrual accounting, lease payments are considered capital outlay and proceeds of lease contracts, and thereafter are recorded as principal and interest payments.

The district has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the district will report inflows of cash for lessor leases and outflows of cash for lessee leases.

Note 1 – Summary of Significant Accounting Policies, continued**R. Subscription-based information technology arrangements (SBITAs)**

Subscription-based information technology arrangements (SBITAs) are recognized in accordance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This statement defines a SBITA as a contract that conveys control of the right to use another party's (the SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction.

For financial statements prepared using the economic resources measurement focus, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset at the commencement of the subscription term. The subscription liability is recognized at the net present value of future subscription payments and is adjusted over time by payments and interest. Future subscription payments are discounted using the district's estimated incremental borrowing rate.

Future subscription payments include fixed and/or variable payments, based on the contract between the subscriber and vendor. The subscription asset is initially recorded as the sum of the subscription liability, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to the commencement of the subscription term, and is subsequently amortized over the life of the subscription. Subscription and capitalizable implementation cost payments made prior to the commencement of the subscription are classified as prepaid assets until the subscription commences; after the subscription commences, the prepaid assets are reclassified as an intangible right-to-use subscription asset.

For financial statements prepared using the current financial resources measurement focus, an other financing source and capital outlay are reported in the year the subscription asset is initially recognized. The other financing source is reported equal to the net present value of future subscription payments. Capital outlay is reported equal to the sum of the net present value of future subscription payments, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to the commencement of the subscription term. Subsequent governmental fund subscription payments are recorded as principal and interest payments.

The district has chosen not to implement GASB 96 for the budgetary basis of accounting. For both the budgetary basis of accounting and for SBITAs that do not meet the criteria for valuation under GASB 96, the district will report outflows of cash for subscription payments.

S. Appropriation and Budgetary Controls

The district is subject to provisions of the Oregon Revised Statutes, which set forth local budget procedures. A resolution authorizing appropriations for each fund sets the level of control by which expenditures cannot legally exceed appropriations. Appropriations are established by organizational unit or program (community relations, park services, recreation services, etc.). In addition, separate appropriations not established by organizational unit or program are established by object categories (debt service, capital outlay, transfers out, contingency and reserve for future expenditures) for all funds. The district's published budget contains more specific detailed information for the above-mentioned expenditure categories.

The district's Board of Directors may, however, approve additional appropriations for necessary expenditures which could not be reasonably estimated at the time the budget was adopted. Additionally, budgets may be modified during the fiscal year by the use of appropriation transfers between legal categories or appropriation transfers from one fund to another.

Note 1 – Summary of Significant Accounting Policies, continued

S. Appropriation and Budgetary Controls, continued

Such transfers must be authorized by official resolution of the Board of Directors. The resolution must state the need for the transfer, the purpose of the authorized expenditures and the amount of the appropriation transferred.

Transfers of operating contingency appropriations, which in aggregate during a fiscal year exceed 15% of the total appropriations of the fund, may only be made after adoption of a supplemental budget prepared for that purpose. A supplemental budget of less than 10% of the fund's original budget may be adopted at a regular meeting of the Board. A supplemental budget greater than 10% of the fund's original budget requires public hearings, publication in newspapers and approval by the Board. The district had no supplemental budgets during the year ended June 30, 2023. Budget amounts shown in the financial statements include the original budget, supplemental budgets and budget transfers. All appropriations terminate on June 30.

T. Adoption of New GASB Pronouncements

During the fiscal year ended June 30, 2023, the district implemented the following GASB Pronouncements:

GASB Statement No. 91, Conduit Debt Obligations. This statement was issued May 2019 and establishes accounting requirements for conduit debt obligations by issuers. The objectives of this Statement are to eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. There is no effect on the district's financial statements as a result of this statement.

GASB Statement No. 94, Public-Private and Public-Public Partnership and Availability Payment Arrangements. This Statement was issued March 2020 to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Under this Statement, a transferor is required to recognize the receivables for installment payments to be submitted by the operator and a deferred inflow of resources, while an operator is required to recognize a liability for installment payments to be submitted and a deferred outflow of resources, which taken together enhance the relevance and consistency of information about governments' outsourcing of functions to external operators.

The district did not have any agreements covered by GASB Statement No. 94 in the fiscal year ending June 30, 2023. Therefore, there are no effects on the district's financial statements upon implementation.

GASB Statement No. 96, Subscription-based information technology arrangements (SBITAs). This statement was issued May 2020 to better meet the information needs of financial statement users by establishing a definition for SBITAs and prescribing accounting and financial reporting for SBITAs by governments. Prior to the issuance of GASB Statement No. 96, there was no accounting or financial reporting guidance specifically for SBITAs. Under this Statement, a subscriber is required to recognize a subscription liability and an intangible right-of-use subscription asset, thereby enhancing the relevance and consistency of information about governments' SBITA activities. GASB Statement No. 96 was implemented by the district for the fiscal year ended June 30, 2023. Accordingly, the district has opted to not restate prior periods, as comparative periods are not reported. The following describes the nature of the restatement and its effect with SBITAs recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation.

Note 1 – Summary of Significant Accounting Policies, continued**T. Adoption of New GASB Pronouncements, continued**

In accordance with Statement No. 96, subscription arrangements that do not transfer ownership of the information technology (IT) software or underlying IT assets are now classified as short-term or long-term SBITAs. For long-term SBITAs, subscribers are required to recognize an intangible right-of-use subscription asset and a subscription liability at the commencement of the subscription term. The subscription liability is measured as the net present value of future subscription payments. The subscription asset is measured as the sum of the subscription liability, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to the commencement of the subscription term. For short-term SBITAs, payments are considered outflows of resources and are classified as operating expenditures or expenses, as appropriate. As such, there is no material impact to net position to implement this standard.

Pursuant with GASB Statement No. 96, the cumulative effect of applying this statement is reported as a restatement of beginning net position for the earliest period presented, that is, for the fiscal year ended June 30, 2023. However, there were no material cumulative effect adjustments recorded to net position upon adoption. Rather, at the inception of the year of adoption, the district recognized subscription assets of \$250,778 as well as subscription liabilities of \$238,858 for governmental activities; this had no cumulative effect on beginning net position. As of June 30, 2023, the following SBITA amounts are reported: subscription assets of \$209,721 as well as subscription liabilities of \$189,778 for governmental activities.

GASB Statement No. 99, Omnibus 2022. This statement was issued April 2022 and enhances comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. This Statement addresses a variety of topics including issues related to leases implementation, derivative instruments, nonmonetary transactions, public-private and public-public partnerships and availability payment arrangements, subscription-based information technology arrangements, LIBOR, SNAP and other terminology updates. Specifically, the paragraphs implemented for the fiscal year ended June 30, 2023 address the following topics:

- Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives (paragraphs 11-17)
- Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset (paragraphs 18-22)
- Clarification of provisions in Statement No. 96 SBITAs related to terms and definitions: subscription termination, short-term SBITAs, and measurement of subscription liabilities (paragraphs 23-25) GASB Statement No. 99 paragraphs 11-17, 18-22, and 23-25 were implemented by the district for the fiscal year ending June 30, 2023. There is no effect on the district's financial statements as a result of the implementation.

GASB Statement No. 99 paragraphs 11-17, 18-22, and 23-25 were implemented by the district for the fiscal year ending June 30, 2023. There is no effect on the City's financial statements as a result of the implementation. The remaining requirements of Statement 99 will be implemented in fiscal year ending June 30, 2024.

Note 2 – Cash, Cash Equivalents and Investments

The district’s investment of cash funds is regulated by ORS and the district’s Investment Policy, adopted by its Board of Directors. Under these guidelines, cash funds may be invested in bank accounts; certificates of deposit; obligations of the United States, its agencies, and certain states; certain guaranteed investments issued by banks; and the State of Oregon Local Government Investment Pool. During the year, the district did not purchase any repurchase agreements or reverse repurchase agreements.

Cash, cash equivalents, and investments at June 30, 2023, consisted of the following:

	Total
Cash on hand	\$ 5,884
Deposits with banks	2,069,140
Local Government Investment Pool	51,980,361
Total pooled cash and investments	<u>\$ 54,055,385</u>

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the district’s deposits may not be returned. State statutes require that all bank deposits in excess of the FDIC insurance amount be collateralized through the Oregon State Treasurer’s (OST) Public Funds Collateralization Program. This program provides a structure for specified depositories to participate in a shared liability collateral pool. Securities pledged by individual institutions may range from 10% to 110% of public fund deposits depending on the financial institution’s level of capitalization as determined by its federal regulatory authority. The aggregate Oregon public fund collateral pledge at June 30, 2023 was \$2,129,179,925 for reported uninsured public funds of \$3,402,861,770.

The Custodian, Federal Home Loan Bank, is the agent of the depository. The securities pledged are designated as subject to the Pledge Agreement between the Depository, Custodian Bank and Office of the State Treasurer (OST) and are held for the benefit of OST on behalf of the public depositors. The district’s funds were held by financial institutions that participated in the OST program and were in compliance with statutory requirements. The total cash in bank as of June 30, 2023 was \$2,184,755, of these deposits \$1,934,755 was covered through the collateralization program, and not insured by the FDIC.

Fair Value Measurements

GASB Statement No. 72, Fair Value Measurement and Application, specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived from or corroborated by an observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs are significant unobservable inputs. The district has no investments that are measured using Level 1 or Level 3 inputs.

Note 2 – Cash, Cash Equivalents and Investments, continued

Investments

The district participates in the Oregon State Treasurer’s Local Government Investment Pool (LGIP), a non-SEC regulated, open-ended, no-load diversified portfolio created under ORS 294.805 to 294.895. The LGIP is administered by the State Treasurer and the Oregon Investment Council under the governance of the Oregon Short-Term Fund Board. The LGIP is audited annually by the Oregon Secretary of State, Audits Division.

The Oregon State Treasurer’s Office has calculated the fair value of the underlying investments of the LGIP and the district’s share of fair value is reflected below. The LGIP portfolio rules require that at least 50 percent of the portfolio mature or reset within 93 days; not more than 25 percent of the portfolio may mature or reset in over a year; and no investments may mature or reset over three years from settlement date.

<u>Investment</u>	<u>Fair Value</u>
Local Government Investment Pool	\$ 51,980,362

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the district’s Investment Policy requires that the maximum investment portfolio average maturity be 18 months.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. ORS Chapter 294, limit investments to obligations of the United States Treasury and United States Government agencies and instrumentalities, certain bankers’ acceptances, repurchase agreements, certain high-grade commercial paper and corporate bonds and obligations of states and municipalities. The district’s investment policy has been approved by the district Board of Directors and specifies the district’s investment objectives, required diversification, certain limitations and reporting requirements. The State of Oregon Local Government Investment Pool is unrated.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the government will not be able to recover the value of its investments or collateral securities in the possession of an outside party.

The district’s investment in the LGIP is not deemed to be a security, which is a transferable financial instrument that evidences ownership and is, therefore, not subject to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The district’s investment policy provides that the maximum that may be invested in any one issuer, as a percentage of total investments is 100% for US Treasury, 35% for US Government agencies and 5% per issuer, and in the LGIP, the lesser of 100% or \$56,763,000, the maximum amount allowed imposed by the state statute.

Governmental accounting standards require that investments be reported at fair value and the change in fair value of investments be reported as revenue in the operating statement. The district’s investments consist solely of government pool investments and are stated at fair value as of June 30, 2023.

Note 3 – Capital Assets

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

	Beginning Balance, as restated	Increases	Decreases	Reclassifications and Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated or amortized:					
Land including right-of-way	\$ 58,348,023	\$ 300,000	\$ -	\$ -	\$ 58,648,023
Construction in progress	16,667,562	9,319,899	(497,128)	(15,469,978)	10,020,355
Artwork	230,000	-	-	-	230,000
Total capital assets not being depreciated or amortized	<u>75,245,585</u>	<u>9,619,899</u>	<u>(497,128)</u>	<u>(15,469,978)</u>	<u>68,898,378</u>
Capital assets being depreciated or amortized:					
Buildings and building improvements	59,880,685	47,001	(17,630)	950,000	60,860,056
Improvements other than buildings	70,729,393	20,175	-	14,519,978	85,269,546
Vehicles, equipment and software	5,857,508	581,977	(284,288)	-	6,155,197
Right-of-use	294,983	81,651	(21)	-	376,613
Total capital assets being depreciated or amortized	<u>136,762,569</u>	<u>730,804</u>	<u>(301,939)</u>	<u>15,469,978</u>	<u>152,661,412</u>
Less accumulated depreciation or amortization for:					
Buildings and building improvements	(19,061,228)	(2,597,894)	15,555	-	(21,643,567)
Improvements other than buildings	(29,985,122)	(3,624,013)	-	-	(33,609,135)
Vehicles, equipment and software	(4,713,733)	(300,681)	269,670	-	(4,744,744)
Right-of-use	(24,288)	(69,752)	-	-	(94,040)
Total accumulated depreciation or amortization	<u>(53,784,371)</u>	<u>(6,592,340)</u>	<u>285,225</u>	<u>-</u>	<u>(60,091,486)</u>
Total capital assets being depreciated or amortized, net	<u>82,978,198</u>	<u>(5,861,536)</u>	<u>(16,714)</u>	<u>15,469,978</u>	<u>92,569,926</u>
Total capital assets, net	<u>\$ 158,223,783</u>	<u>\$ 3,758,363</u>	<u>\$ (513,842)</u>	<u>\$ -</u>	<u>\$ 161,468,304</u>

Right-of-use assets

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The district is party to a one lease contract as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. You can find further information on these transactions in Note 6 in the lease payables section.

A subscription-based information technology arrangement (SBITA) is defined as a contract that conveys the right to use vendor-provided information technology and associated tangible capital assets for subscription payments without granting governments a perpetual license or title to the IT software and associated tangible capital assets. This recognition is new for the current year under GASB pronouncement 96. You can find further information on these transactions in Note 6 in the subscription payables section.

Note 3 – Capital Assets, continued

Right-of-use assets, continued

Lease and subscription right-of-use activity for the year ended June 30, 2023 was as follows:

	Beginning Balance, as restated	Increases	Decreases	Reclassifications and Transfers	Ending Balance
Governmental activities:					
Equipment	\$ 125,856	\$ -	\$ (21)	\$ -	\$ 125,835
Subscriptions	169,127	81,651	-	-	250,778
Total lease and subscription assets	294,983	81,651	(21)	-	376,613
Less accumulated amortization for:					
Equipment	(24,288)	(28,695)	-	-	(52,983)
Subscriptions	-	(41,057)	-	-	(41,057)
Total accumulated amortization	(24,288)	(69,752)	-	-	(94,040)
Total lease and subscription assets, net of accumulated amortization	\$ 270,695	\$ 11,899	\$ (21)	\$ -	\$ 282,573

Depreciation and amortization

Depreciation and amortization expense was charged to functions/programs of the district as follows:

General government	\$ 273,591
Facility rental	24,513
Park services	4,828,434
Recreation services	1,465,802
Total depreciation/amortization expense	<u>\$ 6,592,340</u>

Note 4 – Deferred Outflows of Resources

Deferred outflows – deferred charge on refunding: the difference between the carrying value of refunded debt and its reacquisition price was deferred and is amortized on the straight-line basis over the period benefitted.

Deferred outflows – defined benefit pension and OPEB: the contributions made to OPERS during the year ended June 30, 2023 and other items related to the district's defined benefit pension plan and OPEB have been classified as a deferred outflow of resources.

Deferred Outflows of Resources	Amount
Deferred outflows - Refunding Debt (FF&C 2005)	\$ 27,922
Deferred outflows - Defined Benefit Pension Plan	
Differences between expected and actual experience	410,676
Changes of assumptions	1,327,457
Changes in proportionate share	476,250
Differences between employer contributions and employer's proportionate share of system contributions	914,879
Total (prior to post-measurement date contributions)	3,129,262
Employer contributions subsequent to the measurement date	1,665,515
Total deferred outflows - Defined Benefit Pension Plan	<u>4,794,777</u>
Deferred outflows - OPEB	
Differences between expected and actual experience	67,090
Changes of assumptions or inputs	23,671
Changes in proportionate share	16,542
Employer contributions subsequent to the measurement date	32,715
Total deferred outflows - OPEB	<u>140,018</u>
Total Deferred Outflows of Resources	<u>\$ 4,962,717</u>

Note 5 – Interfund Activity

Interfund transfers during fiscal year ended June 30, 2023, consisted of the following:

Description	Amount
From the General Fund to the Facility Capital Projects Fund for land acquisitions, capital development and renovation projects	\$ 4,000,000
From the General Fund to the Equipment Capital Projects Fund for equipment acquisitions	300,000
From the System Development Charges Special Revenue Fund to the General Fund for personnel services	248,233
From the System Development Charges Special Revenue Fund to the General Fund for reimbursements for interfund services	77,467
	<u>\$ 4,625,700</u>

Note 6 – Leases and Subscription-Based Information Technology Arrangements (SBITAs)

The district is involved in various leasing arrangements for buildings, equipment, land, and land use rights. In accordance with GASB Statement No. 87 Leases, newly acquired leases during the current fiscal year were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions, and lease receivables or payables were recognized accordingly.

The district is also involved in various subscription-based information technology arrangements (SBITAs) for information technology software and underlying subscription assets which are subscribed from commercial and retail software vendors. With the implementation of GASB Statement No. 96, effective the fiscal year ended June 30, 2023, all existing and newly acquired subscriptions during the current fiscal year were analyzed and classified as either qualified or non-qualified SBITAs. With this implementation, a subscription payable is recognized.

Lessor Lease Receivable

The district has entered into eleven lease agreements for buildings, land, and land-use rights. Of these, two are qualified leases under GASB Statement No. 87 with the latest ending on May 31, 2031. Both leases are for wireless monopole communication antennas leased to a cell phone wireless company and an independent wireless communications real estate operator. The interest rates are 3.25%. Total lease inflows for the current year was \$82,127 of which \$61,155 were principal payments and \$20,972 were interest payments.

Lease receivables for the year ended June 30, 2023 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Land use rights	\$ 599,871	\$ -	\$ (61,155)	\$ 538,716
Total governmental activities	<u>\$ 599,871</u>	<u>\$ -</u>	<u>\$ (61,155)</u>	<u>\$ 538,716</u>

The future lease receipts are expected to be as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 56,328	\$ 16,674	\$ 73,002
2025	58,186	14,816	73,002
2026	64,246	12,862	77,108
2027	73,340	10,612	83,952
2028	75,759	8,193	83,952
2029-2031	210,857	9,518	220,375
Total	<u>\$ 538,716</u>	<u>\$ 72,675</u>	<u>\$ 611,391</u>

**Note 6 – Leases and Subscription-Based Information Technology Arrangements (SBITAs), continued****Lessor Lease Receivable, continued**Lease Receipts Not Included in Receivable

Out of the eleven lease agreements in which the district acts as lessor, two are qualified leases under GASB Statement No. 87 and the other nine that are not qualified under GASB Statement No. 87 are either short-term in nature or outside the scope of the standard. These non-qualified lease agreements have not been recognized and measured as part of the district's lease receivable, and the receipts related to these agreements are recognized as inflows of resources in the period to which those payments related.

Lessee Lease Payables

The district has entered into six lease agreements as lessee for buildings, equipment, land, and land-use rights. Of these, one is a qualified lease under GASB Statement No. 87 expiring in March 31, 2026 with an interest rate of 3.25%. Total lease payments for the current year was \$110,959, including \$25,935 in principal payments, \$2,856 in interest payments, and \$82,168 in other charges not included in lease liability.

Lease payables outstanding as of June 30, 2022 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Equipment	\$ 100,761	\$ -	\$ (25,935)	\$ 74,826	\$ 26,774
Total governmental activities	<u>\$ 100,761</u>	<u>\$ -</u>	<u>\$ (25,935)</u>	<u>\$ 74,826</u>	<u>\$ 26,774</u>

Future lease payments for all leases discussed above are expected to be paid as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 26,774	\$ 2,001	\$ 28,775
2025	27,657	1,118	28,775
2026	20,395	225	20,620
Total	<u>\$ 74,826</u>	<u>\$ 3,344</u>	<u>\$ 78,170</u>

Lease Payments Not Included in Liability

Out of the six total agreements in which the district acts as a lessee, one is a qualified lease under GASB Statement No. 87. The remaining five agreements that are not qualified under GASB Statement No. 87 are either short-term in nature or outside the scope of the standard. These non-qualified lease agreements have not been recognized and measured as part of the district's lease payable in accordance with GASB Statement No. 87, and the receipts related to these agreements are recognized as outflows of resources in the period in which the obligation for those payments was incurred.

Subscription payables

The district has entered into 15 qualified SBITA agreements as the subscriber for software. The subscription liability related to these SBITAs was initially recognized on July 1, 2022, with the adoption of GASB Statement No. 96. All 15 of the SBITAs are related to software. Of these, 6 had payments included in the measurement of the subscription liability with periods covering various ranges and the latest expiring on February 29, 2028. Interest rates range from 2.37% to 3.31%. Annual payments for the current year range from \$687 to \$22,519.

Note 6 – Leases and Subscription-Based Information Technology Arrangements (SBITAs), continued

Subscription payables, continued

Subscription payables currently outstanding as of June 30, 2023 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Subscriptions	\$ 169,127	\$ 64,731	\$ (44,080)	\$ 189,778	\$ 45,660
Total governmental activities	<u>\$ 169,127</u>	<u>\$ 64,731</u>	<u>\$ (44,080)</u>	<u>\$ 189,778</u>	<u>\$ 45,660</u>

Future annual subscription commitments as of June 30, 2023 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 45,660	\$ 4,859	\$ 50,519
2025	47,720	3,687	51,407
2026	49,865	2,465	52,330
2027	45,626	1,187	46,813
2026	907	9	916
Total	<u>\$ 189,778</u>	<u>\$ 12,207</u>	<u>\$ 201,985</u>

Subscription payments not included in liability

Variable payments based on future performance of the district, usage of the underlying IT assets, or number of user seats, were not included in the measurement of the subscription liability. Other payments, such as termination penalties, were also not included in the measurement of the subscription liability. Rather, these variable and other payments were recognized as outflows of resources in the period in which the obligation for those payments was incurred. The district had one SBITAs with variable payments not included in the measurement of the subscription liability for the fiscal year ended June 30, 2023.

The amount of outflows of resources recognized in the fiscal year ended June 30, 2023 for variable and other payments not previously included in the measurement was \$63,308.

Combined lease and subscription liabilities

On the face of the financial statements, lease and subscription payables are combined as a single line item.

Lease and subscription payables currently outstanding as of June 30, 2023 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Leases	\$ 100,761	\$ -	\$ (25,935)	\$ 74,826
Subscriptions	<u>169,127</u>	<u>64,731</u>	<u>(44,080)</u>	<u>189,778</u>
Total governmental activities	<u>\$ 269,888</u>	<u>\$ 64,731</u>	<u>\$ (70,015)</u>	<u>\$ 264,604</u>

**Note 7 - Long-Term Obligations**

The district has issued debt for the purpose of supporting its capital financing activities. The types of debt are discussed below and each debt type reports the range of maturities for each of its outstanding debt issue. The district's tax-exempt debt remains in compliance with all Internal Revenue Service arbitrage regulations. Outstanding debt amounts are as of June 30, 2023.

General Obligation Bonds

The district issued general obligation bonds to provide financing for the acquisition and construction of major capital facilities and improvements. General obligation bonds, Series 2013, were issued on June 5, 2013, in the amount of \$29,000,000. The district is authorized to levy an unlimited ad valorem tax to pay for these bonds.

Oregon state law limits general obligation debt to 2.5% of real market value. At June 30, 2023 the district's unused debt margin is \$934.5 million.

General obligation bonds currently outstanding are as follows:

	Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2023
Capital Improvements - Series 2013	2% - 4.5%	June 5, 2013	2013 to 2033	\$ 29,000,000	\$ 19,010,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30,	General Obligation Bond	
	Principal	Interest
2024	1,410,000	682,131
2025	1,510,000	625,731
2026	1,610,000	565,331
2027	1,725,000	492,882
2028	1,840,000	423,881
2029-2033	10,915,000	1,106,651
Total	<u>\$ 19,010,000</u>	<u>3,896,607</u>

Notes Payable and Lines of Credit

There are no outstanding notes payable or lines of credit at June 30, 2023.

Direct Borrowing - Loan Payable

The district entered into a direct borrowing Financing Agreement, Series 2014, for the purpose of refunding the Full Faith and Credit Obligations, Series 2005 (Juniper Swim and Fitness Center Renovation and Expansion Project). The principal balance of this loan on June 30, 2023 is \$975,201, with an interest rate of 2.47 percent with maturities through fiscal year 2025. Details for the activity of the loan payable can be found in the changes in long-term liabilities schedule at the end of this note.

Note 7 - Long-Term Obligations, continued

Direct Borrowing - Loan Payable, continued

Annual debt service requirements to maturity for the direct borrowing loan payable is as follows:

Fiscal Year Ending June 30,	Direct Borrowing - Loan Payable	
	Principal	Interest
2024	482,661	24,489
2025	492,540	12,335
Total	<u>\$ 975,201</u>	<u>\$ 36,824</u>

Other Long-Term Liabilities

The district's policy relating to compensated absences is described in Note 1(K). The total amount outstanding at June 30, 2023 was \$893,338. The district considers all outstanding balances as current; historically balances have been paid out within the year.

The Oregon PERS pension liability is described in Note 11. The total outstanding liability at June 30, 2023, was \$8.5 million.

The other postemployment benefits (OPEB) liability is described in Note 12. The total amount outstanding at June 30, 2023 was \$465,258.

The long-term portion of compensated absences, pension, and other postemployment benefits liabilities are expected to be paid in future years from future resources. In prior years, compensated absences, pension, and other postemployment benefits have been liquidated primarily by the funds for which the employees who earned the benefits were assigned. Compensated absences, pension, and other postemployment benefits are liquidated by the General Fund and the Facility Rental Fund.

Changes in Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023 was as follows:

	June 30, 2022	Increases	Decreases	June 30, 2023	Due Within One Year
General obligations bonds	\$ 20,325,000	\$ -	\$ (1,315,000)	\$ 19,010,000	\$ 1,410,000
Premium on general obligation bond	1,017,265	-	(92,479)	924,786	-
Direct borrowing - loan payable	1,447,013	-	(471,812)	975,201	482,661
Net pension liability	6,492,798	1,967,242	-	8,460,040	-
Other postemployment benefits - HIC	419,582	45,676	-	465,258	-
Leases and subscriptions payable	269,888	64,731	(70,015)	264,604	77,293
Compensated absences	813,104	1,045,282	(965,048)	893,338	893,338
Total long-term obligations	<u>\$ 30,784,650</u>	<u>\$ 3,122,931</u>	<u>\$ (2,914,354)</u>	<u>\$ 30,993,227</u>	<u>\$ 2,863,292</u>

**Note 8 – Deferred Inflows of Resources and Unearned Revenue**Governmental Funds Balance Sheet:

Unavailable revenues are reported as deferred inflows of resources on the governmental funds balance sheet. These are revenues which are earned, but not available to liquidate liabilities of the current period. Unearned revenues are reported on the governmental funds balance sheet, and are revenues which are available to liquidate liabilities of the current period, but are not yet earned. For the district, these are revenues related to recreation and reservation services.

For the year ended June 30, 2023, these balances were:

	Deferred Inflows of Resources - Property Taxes	Deferred Inflows of Resources - Leases	Unearned Revenue	Total Deferred Inflows of Resources and Unearned Revenue
General Fund	\$ 350,791	\$ 513,150	\$ 2,303,771	\$ 3,167,712
General Obligation Debt Service Fund	32,502	-	-	32,502
Facility Reserve Fund	-	-	190,000	190,000
Nonmajor Funds	-	-	174,828	174,828
Total Deferred Inflows of Resources and Unearned Revenue	<u>\$ 383,293</u>	<u>\$ 513,150</u>	<u>\$ 2,668,599</u>	<u>\$ 3,565,042</u>

Statement of Net Position:

An acquisition of net position, applicable to a future reporting period, is reported as deferred inflows of resources on the Statement of Net Position. For the year ended June 30, 2023, these balances related to the district's defined benefit pension plans by the application of GASB Statement No. 68, other post-employment benefits (OPEB) by the application of GASB Statement No. 75, and leases by the application of GASB Statement No. 87 are:

Deferred Inflows of Resources	Amount
Deferred inflows - Defined Benefit Pension Plan	
Differences between expected and actual experience	\$ 52,760
Changes of assumptions	12,128
Net difference between projected and actual earnings on pension plan investments	1,512,527
Changes in proportionate share	346,503
Differences between employer contributions and employer's proportionate share of system contributions	713,919
Total deferred inflows - Defined Benefit Pension Plan	<u>2,637,837</u>
Deferred inflows - OPEB	
Differences between expected and actual experience	24,219
Changes of assumptions	101,199
Net difference between projected and actual earnings on investments	11,678
Total deferred inflows - OPEB	<u>137,096</u>
Deferred inflows - Leases	<u>513,150</u>
Total Deferred Inflows of Resources	<u>\$ 3,288,083</u>

Note 9 – Risk Management

The district is exposed to various risks of loss related to torts, which include: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district is a member of the Special Districts Insurance Services (SDIS). SDIS was created by the Special Districts Association of Oregon in 1985 for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. SDIS is fully funded by its members, who pay annual assessments on an experience rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses.

The district obtains insurance from SDIS for the following coverages: general liability limit of \$10,000,000 per occurrence; a comprehensive crime policy with a coverage limit of \$500,000; and various real, personal and inland marine property coverage for replacement costs. The district also carries commercial insurance for workers' compensation, cyber fraud coverages, underground (fuel) storage tank pollution liability, and employee health, life, and disability. Settled claims from these risks have not exceeded insurance limits in any of the past three years.

Note 10 – Tax Abatements

As of June 30, 2023, the District provides tax abatements through four programs:

Nonprofit low income rental (ORS 307.541) - In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this type of housing.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible, and must be certified by the Internal Revenue Service as 501(c)(3) or (4) organization. Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the nonprofit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline. Vacant land intended to be developed as low-income housing is also eligible for the exemption.

Housing for low income rental (ORS 307.517) - An exemption is allowed for property or a portion of property if it meets certain criteria. The property must be offered for rent or held for the purpose of developing low income rental housing, be occupied by low income persons, and have a rent required payment that reflects the full value of the tax exemption.

Enterprise zones (ORS 285C.175) - The Oregon Enterprise Zone program is a State of Oregon economic development program 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 Enterprise Zone program 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 up to 5 years 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.

**Note 10 – Tax Abatements, continued**

Construction in process in enterprise zones (ORS 285C.170) - The Oregon Enterprise Zone program is a State of Oregon economic development program that allows for property tax exemptions. A Construction-in-Process exemption is available for qualifying properties currently under construction in an Enterprise Zone.

To qualify, the property must be owned or leased by an authorized business that is contractually obligated to own or lease the property until placed in service, it may not be previously subject to exemption as a commercial facility (ORS 307.330), and may not be operated, in all or part, as a hotel, motel, or destination resort.

Property may be exempt for no more than two tax years, which must be consecutive, and is not dependent on the property already receiving or being qualified to receive the Enterprise Zone exemption.

For the year ended June 30, 2023, the district's revenues were estimated to be reduced by the following amounts for each program:

	Estimated Taxes Abated During FY 2023
Nonprofit low income rental	\$ 22,386
Housing for low income rental	15,169
Enterprise zones	119,668
Construction in process in enterprise zones	1,090
Total Abated	<u>\$ 158,313</u>

Note 11 – Public Employees' Retirement System Pension PlanPlan Description

Employees of the district are provided with pensions through the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of OPERS are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. A second program, the Chapter 238A-OPERS Pension Program (OPSRP DB), provides benefits to members hired on or after August 29, 2003. OPERS issues an independently audited, publicly available, Annual Comprehensive Financial Report and Actuarial Valuation which can be found at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Benefits Provided

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits

The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled.

Note 11 – Public Employees’ Retirement System Pension Plan, continued

Benefits Provided, continued

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238, continued

Pension Benefits, continued

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension 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). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by an OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in an OPERS-covered job, or
- the member was on an official leave of absence from an OPERS-covered job at the time of death.

A member’s beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lump-sum and monthly payments, if eligible. The monthly payment must be a minimum of \$30 per month for deaths that occur July 30, 2003 and earlier; \$200 per month for deaths that occur after July 30, 2003.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement

After Retirement Members may choose to continue participation in their Variable Account after retiring and may experience annual benefit fluctuations due to changes in the market value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0%.

2. OPSRP Pension Program

OPSRP (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003, and is a hybrid-plan consisting of two components: the pension program (the defined benefit portion) and the individual account program (the defined contribution portion).

**Note 11 – Public Employees’ Retirement System Pension Plan, continued**Benefits Provided, continued

2. OPSRP Pension Program, continued

Defined Pension Benefits

The pension program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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 of 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 spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member’s salary determined as of the last full month of employment before the disability occurred.

3. Individual Account Program

Benefit Terms

An Individual Account Program (IAP) member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a).

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member’s account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Note 11 – Public Employees’ Retirement System Pension Plan, continued

Contributions

OPERS’ funding policy provides for periodic member and employer contributions at rates established by the OPERS Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of OPERS’ third-party actuary. Employer 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 OPERS Defined Benefit Plan and the Other Post-employment Benefit Plans. Ultimate authority for setting and changing the laws governing contributions rests with the Oregon legislature.

Employer contribution rates during the period were based on the December 31, 2020 valuation. The rates, based on a percentage of payroll, first became effective July 1, 2021. The district’s employer contributions for the year ended June 30, 2023 were \$1,701,452, excluding amounts to fund employer specific liabilities. The rates, presented as a percentage of covered payroll, for the district in effect for the fiscal year ended June 30, 2023 were: 16.68% for Tier One/Tier Two, and 13.50% for OPSRP Pension Program. Covered employees are required by state statute to contribute 6% of their annual salary for the IAP, but the employer is allowed to pay all or none of the employees’ contribution in addition to the required employers’ contribution. The district does not contribute the 6% “pick-up” for employees.

The district participated in the OPERS incentive fund program with a payment of \$1,500,000, made on January 23, 2020. As part of the incentive fund program, the state matched a portion of the contribution; the state’s matching contribution to the district was \$375,000. Both the contribution and the match were placed in a PERS “side account” to be used beginning February 1, 2020 to provide an offset for future contributions to the PERS system. The offset has reduced the district’s employer contribution rates, as a percentage of covered payroll, by 1.42% for the contribution period February 1, 2020 through June 30, 2023.

This rate offset percentage will be re-valuated every two years by the OPERS actuaries for the subsequent contribution periods beginning July 1, 2023.

Starting July 1, 2020, Senate Bill 1049 required member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 a month, 0.75 % for OPSRP members and 2.5% for Tier One and Tier Two members’ salaries that were previously contributed to the member’s IAP began funding the new Employee Pension Stability Accounts to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member’s IAP account.

Pension Liabilities and Pension Expense

At June 30, 2023, the district reported a liability of \$8,460,040 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020.

The basis for the district’s proportion is actuarially determined by comparing the district’s projected long-term contribution effort to OPERS with the total projected long-term contribution effort of all employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL). The contribution rate for every employer has at least two major components: Normal Cost Rate and UAL Rate.

**Note 11 – Public Employees’ Retirement System Pension Plan, continued**Pension Liabilities and Pension Expense, continued

1. Normal Cost Rate: The projected long-term contribution effort is estimated by projecting the present value of all future normal cost rate contributions. The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer’s PVFNC depends on both the Normal Cost Rates charged on the employer’s payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding employers have three different payrolls, each with a different Normal Cost Rate: Tier 1/Tier 2 payroll; OPSRP General Service payroll; and OPSRP Police and Fire payroll.

2. UAL Rate: A UAL exists when OPERS assets are less than the actuarial liability as measured by the OPERS actuarial funding valuations. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumptions. The UAL Rate is the upcoming year’s component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service. In determining the employer’s projected long-term contribution effort to OPERS, the UAL component was adjusted for supplemental lump-sum payments made during the measurement period, if applicable.

After the employer’s projected long-term contribution effort is calculated, that amount is reduced by the value of the employer’s supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer’s projected long-term contribution effort because side accounts are effectively pre-paid contributions.

The employer’s projected long-term contribution effort does not include payments toward the current value of transition liabilities and pre-SLGRP liabilities, which OPERS has determined meet the definition of separately financed employer liabilities.

If the calculation of the employer’s projected long-term contribution effort yields a negative number, the employer’s portion of the projected long-term contribution effort will be set to zero and the employer will be allocated no proportionate share of pension amounts.

At June 30, 2023, the district’s proportion of the net pension liability was 0.05525%; this was an increase from the prior measurement period’s proportionate share of was 0.05426%. For the year ended June 30, 2023, the district recognized a pension expense of \$1,659,972.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers report the following deferred inflows of resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Net difference between projected and actual investment earnings
- Changes in proportionate share
- Changes in employer proportion since the prior measurement date

Note 11 – Public Employees’ Retirement System Pension Plan, continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

At June 30, 2023, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 410,676	\$ 52,760
Changes of assumptions	1,327,457	12,128
Net difference between projected and actual earnings on pension plan investments	-	1,512,527
Changes in proportionate share	476,250	346,503
Differences between employer contributions and employer's proportionate share of system contributions	914,879	713,919
Total (prior to post-measurement date contributions)	3,129,262	2,637,837
Employer contributions subsequent to the measurement date	1,665,515	-
Total	<u>\$ 4,794,777</u>	<u>\$ 2,637,837</u>
Net deferred outflow/(inflow) of resources	\$ 2,156,940	
Less: contributions made subsequent to measurement date	1,665,515	
Net deferred outflow/(inflow) of resources	<u>\$ 491,425</u>	

Differences between expected and actual experience, changes in assumptions, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period “layers’ attributable to each measurement period. The district’s contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the following year.

The net amount of the district’s remaining deferred outflows of resources and deferred inflows of resources that will be recognized in the district’s pension expense in the subsequent five years in the aggregate are shown in the table below.

Subsequent Fiscal Years	Deferred Outflow/(Inflow) of Resources
1st Fiscal Year - Fiscal Year 2024	\$ 377,138
2nd Fiscal Year - Fiscal Year 2025	83,884
3rd Fiscal Year - Fiscal Year 2026	(568,996)
4th Fiscal Year - Fiscal Year 2027	644,831
5th Fiscal Year - Fiscal Year 2028	(45,431)
	<u>\$ 491,425</u>

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown below are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

**Note 11 – Public Employees’ Retirement System Pension Plan, continued**Actuarial Assumptions and Methods, continued

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2021
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

(Source: June 30, 2022 PERS GASB 68 Audit Report, p. 35)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Note 11 – Public Employees’ Retirement System Pension Plan, continued

Long-Term Expected Rate of Return, continued

Asset Class	Target Allocation*	Annual Arithmetic Return ²	Compound Annual Return (Geometric)	Standard Deviation
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50%	11.35%	7.71%	30.00%
Core Fixed Income	23.75%	2.80%	2.73%	3.85%
Real Estate	12.25%	6.29%	5.66%	12.00%
Master Limited Partnerships	0.75%	7.65%	5.71%	21.30%
Infrastructure	1.50%	7.24%	6.26%	15.00%
Commodities	0.63%	4.68%	3.10%	18.85%
Hedge Fund of Funds - Multistrategy	1.25%	5.42%	5.11%	8.45%
Hedge Fund Equity - Hedge	0.63%	5.85%	5.31%	11.05%
Hedge Fund - Macro	5.62%	5.33%	5.06%	7.90%
US Cash	-2.50% ³	1.77%	1.76%	1.20%
Assumed Inflation - Mean			2.40%	1.65%

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

³ Negative allocation to cash represents levered exposure from allocations to Risk Parity strategy.

(Source: June 30, 2022 OPERS ACFR; p. 74)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the district’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.90%, as well as what the district’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 15,003,504	\$ 8,460,240	\$ 2,983,830

**Note 11 – Public Employees’ Retirement System Pension Plan, continued**Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s fiduciary net position (fair value of investment assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the plan:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan’s funded position.

Based on these circumstances, it is OPERS’ third-party actuary’s opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Note 12 – Other Postemployment Benefits

The other postemployment benefits (OPEB) for the district combines two separate plans: the district participates in a multi-employer cost sharing defined benefit plan administered by OPERS known as the RHIA. The district also provides an implicit rate subsidy for retiree Health Insurance Continuation premiums.

OPEB Activity and Balances for the Year Ended June 30, 2023 (RHIA & Health Insurance Continuation)

Category	RHIA	District Health Insurance Continuation	Total
OPEB Liability	\$ -	\$ 465,258	\$ 465,258
Net OPEB Asset	153,134	-	153,134
Deferred Outflows	18,390	121,628	140,018
Deferred Inflows	20,932	116,164	137,096
OPEB Expense (Income)	2,320	27,340	29,660

Note 12 – Other Postemployment Benefits, continued

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 post-employment benefit plan administered by OPERS. ORS 238.420 established this trust fund; authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan was closed to new entrants hired on or after August 29, 2003. 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. The reports and other related schedules including plan assumptions, methods and plan provisions may also be found on the OPERS website at <https://www.oregon.gov/pers/EMP/Pages/GASB.aspx>.

Contributions

ORS require that an amount up to \$60, for the total monthly cost of health insurance premiums coverage, shall be paid from the Retirement Health Insurance 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 OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent could be eligible to receive a premium subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was covered under an OPERS health plan at the time the member died and the deceased member retired prior to May 1, 1991.

Participating public employers are contractually required to contribute to RHIA at a rate assessed each biennium by OPERS, for fiscal year 2023 the rate is 0.05% of annual covered payroll for Tier 1/Tier 2 employees. The OPERS Board of Trustees sets the net-retiree healthcare rate based on the estimated OPEB expense of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The OPEB expense represents the annual cost allocated to the current year (normal cost) and the amortization of any unfunded accrued liabilities of the plan (UAL cost).

The unfunded accrued liabilities are amortized over a closed period equal to the average of the expected remaining lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees). The district's contributions to RHIA were consistent with the net-retiree healthcare rate as charged by OPERS. Amounts paid for RHIA were included with the payments for the retirement plan described in Note 11.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - RHIA

For the year ended June 30, 2023, the district recognized OPEB expense for the RHIA Plan of \$2,320. At June 30, 2023, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB for the RHIA Plan from the following sources:

**Note 12 – Other Postemployment Benefits, continued****Oregon Public Employees Retirement System – Retirement Health Insurance Account (RHIA), continued**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – RHIA, continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ 4,150	\$ (4,150)
Changes of assumptions	1,199	5,104	(3,905)
Net difference between projected and actual earnings on investments	-	11,678	(11,678)
Changes in proportionate share	16,542	-	16,542
Total (prior to post-measurement date contributions)	17,741	20,932	(3,191)
Contributions made subsequent to measurement date	649	-	649
Net deferred outflow/(inflows) of resources	<u>\$ 18,390</u>	<u>\$ 20,932</u>	<u>\$ (2,542)</u>

The RHIA plan assets are included in the OPERS retirement system cash management efforts. The district's contributions made subsequent to the measurement date of June 30, 2022 will be recognized as an increase of the net OPEB asset in the year ending June 30, 2024. The net amount of the district's share of the RHIA remaining deferred outflows of resources and deferred inflows of resources that will be recognized in the district's pension expense/income in the subsequent five years in the aggregate are shown in the table below.

Subsequent Fiscal Years	Deferred Outflow/(Inflow) of Resources
1st Fiscal Year - Fiscal Year 2024	\$ 4,981
2nd Fiscal Year - Fiscal Year 2025	(4,544)
3rd Fiscal Year - Fiscal Year 2026	(7,370)
4th Fiscal Year - Fiscal Year 2027	3,740
5th Fiscal Year - Fiscal Year 2028	-
Total	<u>\$ (3,191)</u>

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years.

The methods and assumptions shown in the next table are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

Note 12 – Other Postemployment Benefits, continued

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

Actuarial Assumptions and Methods, continued

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return*	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Retiree Healthcare Participation	Healthy retirees: 27.5%; Disabled retirees: 15.0%
Healthcare Cost Trend Rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

(Source: June 30, 2022 PERS GASB 75 Audit Report, p. 38)

The district's proportionate share of the RHIA plan for fiscal year 2023 is 0.04310 percent. The proportionate share for each employer participating in the Plan was determined by the actuaries based upon each employer's contribution to the RHIA program during the measurement period. The district's proportionate share decreased from 0.04815 percent in the prior measurement period.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Note 12 – Other Postemployment Benefits, continued****Oregon Public Employees Retirement System – Retirement Health Insurance Account (RHIA), continued**Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the district's proportionate share of the net OPEB liability (asset) for the RHIA calculated using the discount rate of 6.90%, as well as what the district's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (138,017)	\$ (153,134)	\$ (166,093)

Health Insurance ContinuationPlan Description

The district has a Health Insurance Continuation option available for retirees. It is a substantive post-employment benefits plan offered under ORS 243. ORS 243.303 requires the district provide retirees with an opportunity to participate in group health and dental insurance from the date of retirement to age 65, and the rate would be calculated using claims experience from retirees and active employees for health plan rating purposes. Providing the same rate to retirees as provided to current employees constitutes an implicit rate subsidy for OPEB. This single-employer "plan" is not a stand-alone plan and does not issue its own financial statements.

Contributions

In order to fund the Health Insurance Continuation option, the district utilizes a third-party administrator who collects insurance premiums from participating retirees each month. The premiums are either used to cover the district's self-insurance costs or paid directly to a third-party health insurance provider, depending on the plan. At the date of the latest actuarial report, the district had three retirees participating in the plan, 195 active eligible employees, and no inactive employees entitled to, but not yet receiving benefits.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Health Insurance Continuation

For the year ended June 30, 2023, the district recognized OPEB expense for the Health Insurance Continuation Plan of \$27,340. At June 30, 2023, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB for the Health Insurance Continuation Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Differences between expected and actual experience	\$ 67,090	\$ 20,069	\$ 47,021
Changes of assumptions or inputs	22,472	96,095	(73,623)
Total (prior to post-measurement date contributions)	89,562	116,164	(26,602)
Contributions made subsequent to measurement date	32,066	-	32,066
Net deferred outflow/(inflows) of resources	\$ 121,628	\$ 116,164	\$ 5,464

Note 12 – Other Postemployment Benefits, continued

Health Insurance Continuation, continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Health Insurance Continuation, continued

The district's contributions made subsequent to the measurement date of June 30, 2022 will be recognized in the district's OPEB expense in the fiscal year ending June 30, 2024. The net amount of the district's share of the Health Insurance Continuation Plan remaining deferred outflows of resources and deferred inflows of resources that will be recognized in the district's pension expense in the subsequent five years in the aggregate are shown in the table below.

Subsequent Fiscal Years	Deferred Outflow/(Inflow) of Resources
2nd Fiscal Year - Fiscal Year 2024	\$ (18,404)
3rd Fiscal Year - Fiscal Year 2025	(18,404)
4th Fiscal Year - Fiscal Year 2026	(8,111)
5th Fiscal Year - Fiscal Year 2027	5,881
5th Fiscal Year - Fiscal Year 2028	4,795
Thereafter	7,641
Total	<u>\$ (26,602)</u>

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate

The following presents the district's total OPEB liability of the Health Insurance Continuation Plan calculated using the discount rate of 3.54% as well as what the district's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.54%) or 1-percentage point higher (4.54%) than the current rate. A similar sensitivity analysis is then presented for changes in the health care cost trend assumption, using trend assumptions based on a model circulated by the Society of Actuaries:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
District's Total OPEB Liability (Health Insurance Continuation)	\$ 501,909	\$ 465,258	\$ 431,361
	1% Decrease	Current Health Care Trend Rate	1% Increase
District's Total OPEB Liability (Health Insurance Continuation)	\$ 416,532	\$ 465,258	\$ 523,983

Actuarial Assumptions and Methods

The total OPEB liability for the district's Health Insurance Continuation was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

**Note 12 – Other Postemployment Benefits, continued****Health Insurance Continuation, continued**Actuarial Assumptions and Methods, continued

A summary of the economic assumptions used for the July 1, 2022 actuarial valuation are shown below.

Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40 percent
Discount Rate	3.54 percent
Projected Salary Increases	3.40 percent
Mortality	Healthy retirees and beneficiaries: Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

Change in Total OPEB Liability

Balance as of June 30, 2022	\$ 419,582
Changes for the year:	
Service cost	36,147
Interest on total OPEB liability	9,597
Effect of economic/demographic gains or losses	75,582
Effect of assumptions changes or inputs	(52,708)
Benefit payments	(22,942)
Balance as of June 30, 2023	<u>\$ 465,258</u>

Note 13 – Commitments and Contingent Liabilities

At June 30, 2023, the district was committed on outstanding construction, engineering, consulting, and service contracts totaling approximately \$1,588,590.

The district is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of district management, based upon the advice of legal counsel with respect to such litigation and claims, the ultimate disposition of these matters will not have a material adverse effect on the financial position or results of operations of district funds.

Note 14 – Subsequent Events

At the end of the fiscal year the district entered into a purchase and sale agreement for two parcels totaling about 453 acres off of Rickard Road. The Board approved the purchase June 20, 2023 and the district closed on the purchase of the property July 3, 2023.

The Board announced its search for the new executive director September 2023, to replace the retiring executive director starting in the 2024-25 Fiscal Year.

REQUIRED SUPPLEMENTARY INFORMATION





Bend Metro Park and Recreation District, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
Revenues						
Property taxes	\$ 20,799,800	\$ 20,799,800	\$ 21,695,563	\$ -	\$ 21,695,563	\$ 895,763
Charges for services	9,798,300	9,798,300	10,355,275	-	10,355,275	556,975
Contributions	78,100	78,100	26,381	-	26,381	(51,719)
Grants	83,000	83,000	442,000	-	442,000	359,000
Sponsorships	-	-	57,800	-	57,800	57,800
Intergovernmental	-	-	11,600	-	11,600	11,600
Investment earnings	80,000	80,000	537,159	268,701	805,860	457,159
Reimbursement for interfund services	(272,400)	(272,400)	77,467	-	77,467	349,867
Miscellaneous	41,000	41,000	131,298	6,557	137,855	90,298
Total revenues	30,607,800	30,607,800	33,334,543	275,258	33,609,801	2,726,743
Expenditures						
Current:						
Director's office and administrative services	4,201,454	4,201,454 (1)	3,509,084	(19,408)	3,489,676	692,370
Community relations	972,276	972,276 (1)	805,829	-	805,829	166,447
Park services	8,067,932	8,067,932 (1)	7,701,998	(64,122)	7,637,876	365,934
Recreation services	13,794,186	13,794,186 (1)	13,474,527	(8,418)	13,466,109	319,659
Strategic planning and design	1,642,781	1,642,781 (1)	1,585,516	-	1,585,516	57,265
Debt service						
Principal	471,812	471,812 (1)	471,812	70,015	541,827	-
Interest	36,238	36,238 (1)	36,238	5,013	41,251	-
Capital outlay	-	-	-	250,778	250,778	-
Contingency	4,961,735	4,961,735 (1)	-	-	-	4,961,735
Total expenditures	34,148,414	34,148,414	27,585,004	233,858	27,818,862	6,563,410
Excess (deficiency) of revenues over expenditures	(3,540,614)	(3,540,614)	5,749,539	41,400	5,790,939	9,290,153
Other Financing Sources (Uses)						
Right-of-use proceeds	-	-	-	233,858	233,858	-
Transfers in	615,000	615,000	248,232	-	248,232	(366,768)
Transfers out	(4,300,000)	(4,300,000) (1)	(4,300,000)	-	(4,300,000)	-
Total other financing sources (uses)	(3,685,000)	(3,685,000)	(4,051,768)	233,858	(3,817,910)	(366,768)
Net change in fund balance	(7,225,614)	(7,225,614)	1,697,771	275,258	1,973,029	8,923,385
Fund balances, July 1, 2022	7,869,272	7,869,272	9,566,358	(440,839)	9,125,519	1,697,086
Fund balances, June 30, 2023	\$ 643,658	\$ 643,658	\$ 11,264,129	\$ (165,581)	\$ 11,098,548	\$ 10,620,471

(1) Appropriation Level

Explanation of Differences:

Items recorded as revenues/other financing sources for GAAP purposes that are not recorded for budget purposes:

Financing of SBITAs	\$ 233,858
Lease revenue, net	6,557
Unrealized gain/(loss) on investments	268,701
Total Revenue/Other Financing Source Adjustments	509,116

The district budgets for certain expenditures on the cash basis, rather than on the modified accrual basis:

Capital outlay for SBITAs	(250,778)
SBITA expenditure, net	16,920
Total Revenue/Other Financing Source Adjustments	(233,858)

Net Increase in Fund Balance - Budget to GAAP

\$ 275,258

Differences in Presentation between Budget and GAAP Basis:

The district records principal and interest payments related to the subscription-based information technology arrangements and lease activity on a GAAP basis; however, for budget purposes, they are included in the associated program's expenditures. These differences have no bearing on the fund balance since the overall total expenditures are the same.

Bend Metro Park and Recreation District, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
System Development Charges Special Revenue Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
Revenues						
System development fees	\$ 7,879,000	\$ 7,879,000	\$ 10,772,411	\$ -	\$ 10,772,411	\$ 2,893,411
Intergovernmental	-	-	964,547	-	964,547	964,547
Investment earnings	56,000	56,000	464,525	-	464,525	408,525
Miscellaneous	-	-	85,643	-	85,643	85,643
Total revenues	<u>7,935,000</u>	<u>7,935,000</u>	<u>12,287,126</u>	<u>-</u>	<u>12,287,126</u>	<u>4,352,126</u>
Expenditures						
Current:						
Strategic planning and design	11,008,153	11,008,153 (1)	7,518,675	(7,349,265)	169,410	3,489,478
Capital outlay	-	-	-	7,349,265	7,349,265	-
Operating contingency	2,000,000	2,000,000 (1)	-	-	-	2,000,000
Reserves	7,136,266	7,136,266 (1)	-	-	-	7,136,266
Total expenditures	<u>20,144,419</u>	<u>20,144,419</u>	<u>7,518,675</u>	<u>-</u>	<u>7,518,675</u>	<u>12,625,744</u>
Excess (deficiency) of revenues over expenditures	<u>(12,209,419)</u>	<u>(12,209,419)</u>	<u>4,768,451</u>	<u>-</u>	<u>4,768,451</u>	<u>16,977,870</u>
Other Financing Uses						
Transfers out	(615,000)	(615,000) (1)	(248,232)	-	(248,232)	366,768
Total other financing uses	<u>(615,000)</u>	<u>(615,000)</u>	<u>(248,232)</u>	<u>-</u>	<u>(248,232)</u>	<u>366,768</u>
Net change in fund balance	(12,824,419)	(12,824,419)	4,520,219	-	4,520,219	17,344,638
Fund balances, July 1, 2022	<u>12,824,419</u>	<u>12,824,419</u>	<u>15,602,570</u>	<u>-</u>	<u>15,602,570</u>	<u>2,778,151</u>
Fund balances, June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,122,789</u>	<u>\$ -</u>	<u>\$ 20,122,789</u>	<u>\$ 20,122,789</u>

(1) Appropriation Level

Differences in Presentation between Budget and GAAP Basis:

The district records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated program's expenditures. These differences have no bearing on the fund balance since the overall total expenditures are the same.



Bend Metro Park and Recreation District, Oregon
Schedule of the Proportionate Share of the Net Pension Liability (Asset)
Last Ten Fiscal Years

Year Ended June 30,	(a) Proportion of the net pension liability (asset)	(b) Proportionate share of the net pension liability (asset)	(c) District's Covered payroll	(b/c) Proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2014	0.05032%	\$ 2,568,133	\$ 5,832,411	44.03%	91.97%
2015	0.05032%	(1,140,713)	6,929,756	-16.46%	103.60%
2016	0.05433%	3,119,344	7,132,955	43.73%	91.90%
2017	0.05296%	7,950,751	8,161,184	97.42%	80.53%
2018	0.04996%	6,735,247	8,132,587	82.82%	83.12%
2019	0.05536%	8,386,234	8,985,951	93.33%	82.07%
2020	0.05731%	9,913,344	9,803,437	101.12%	80.20%
2021	0.05180%	11,304,339	9,869,816	114.53%	75.80%
2022	0.05426%	6,492,798	9,395,170	69.11%	87.60%
2023	0.05525%	8,460,240	9,780,051	86.51%	84.50%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date. Because of this, covered payroll are the amounts paid in the prior year, and are off by one year from covered payroll amounts in the Schedule of Employer Contributions. The net pension asset or liability determination is one year old; it was determined as of the measurement date.

**Bend Metro Park and Recreation District, Oregon
Schedule of Employer Pension Contributions
Last Ten Fiscal Years**

	(a)	(b)	(a-b)	(c)	(b/c)
Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll
2014	\$ 430,877	\$ 430,877	\$ -	\$ 6,929,756	6.22%
2015	480,381	480,381	-	7,132,955	6.73%
2016	639,809	639,809	-	8,161,184	7.84%
2017	681,954	681,954	-	8,132,587	8.39%
2018	982,675	982,675	-	8,985,951	10.94%
2019	1,070,326	1,070,326	-	9,803,437	10.92%
2020	1,389,871	1,389,871	-	9,869,816	14.08%
2021 ⁽¹⁾	1,210,381	1,210,381	-	9,395,170	12.88%
2022	1,361,701	1,361,701	-	9,780,051	13.92%
2023	1,665,515	1,665,515	-	11,959,480	13.93%

Note: The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

(1) Data was retroactively revised in 2022



Bend Metro Park and Recreation District, Oregon
Schedule of the Proportionate Share of the Net OPEB Liability (Asset) - RHIA
Last Ten Fiscal Years*

Year Ended June 30,	(a) Proportion of the net OPEB liability (asset)	(b) Proportionate share of the net OPEB liability (asset)	(c) District's covered payroll	(b/c) Proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2017	0.07424%	\$ 20,161	\$ 8,161,184	0.25%	94.20%
2018	0.07515%	(31,361)	8,132,587	-0.39%	108.90%
2019	0.07786%	(86,913)	8,985,951	-0.97%	123.99%
2020	0.08135%	(157,188)	9,803,437	-1.60%	144.40%
2021	0.06566%	(133,799)	9,869,816	-1.36%	150.10%
2022	0.04815%	(165,346)	9,395,170	-1.76%	183.90%
2023	0.04310%	(153,134)	9,780,051	-1.57%	194.60%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date. Because of this, covered payroll are the amounts paid in the prior year, and are off by one year from covered payroll amounts in the Schedule of Employer Contributions. The net OPEB asset or liability determination is one year old; it was determined as of the measurement date.

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**Bend Metro Park and Recreation District, Oregon
Schedule of Employer OPEB Contributions - RHIA
Last Ten Fiscal Years***

	(a)	(b)	(a-b)	(c)	(b/c)
Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered- employee payroll
2017	\$ 37,223	\$ 37,223	\$ -	\$ 8,132,587	0.46%
2018	37,700	37,700	-	8,985,951	0.42%
2019	40,316	40,316	-	9,803,437	0.41%
2020	4,689	4,689	-	9,869,816	0.05%
2021	1,288	1,288	-	9,395,170	0.01%
2022	1,062	1,062	-	9,780,051	0.01%
2023	649	649	-	11,959,480	0.01%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date. In FY 2023, historical data for FY 2022 and prior were updated for columns (a), (b), and (b/c).

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.



Bend Metro Park and Recreation District, Oregon
Schedule of Changes in Total OPEB Liability
Health Insurance Continuation Plan
Last Ten Fiscal Years*

Category	2017	2018	2019	2020	2021	2022	2023
Changes for the year:							
Service cost	N/A	\$ 40,805	\$ 38,519	\$ 25,798	\$ 28,909	\$ 35,091	\$ 36,147
Interest on total OPEB liability	N/A	12,516	16,178	12,652	13,083	9,329	9,597
Effect of economic/demographic gains or (losses)	N/A	-	(43,839)	-	(8,175)	-	75,582
Effect of assumption changes or inputs	N/A	(29,974)	(118,356)	11,018	25,829	1,650	(52,708)
Benefit payments	N/A	(10,347)	(6,283)	(3,217)	(8,251)	(26,860)	(22,942)
Net change in total OPEB liability	N/A	13,000	(113,781)	46,251	51,395	19,210	45,676
Total OPEB liability, beginning	N/A	403,507	416,507	302,726	348,977	400,372	419,582
Total OPEB liability, ending	<u>\$ 403,507</u>	<u>\$ 416,507</u>	<u>\$ 302,726</u>	<u>\$ 348,977</u>	<u>\$ 400,372</u>	<u>\$ 419,582</u>	<u>\$ 465,258</u>
Covered-employee payroll	\$ 6,140,905	\$ 6,668,795	\$ 7,237,082	\$ 7,611,161	\$ 7,685,581	\$ 8,580,177	\$ 9,711,133
Total OPEB liability as a % of covered payroll	6.57%	6.25%	4.18%	4.59%	5.21%	4.89%	4.79%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023**

Required Supplementary Information includes schedules related to the district's net pension and other post-employment (OPEB) liabilities, assets, and contributions. It also includes budgetary comparisons for the General Fund and the System Development Charges Special Revenue Fund. The budgetary comparison information for all other funds can be found in Other Supplementary Information which follows this section.

Note 1 – Budgetary Information

Municipal budgets are adopted on a basis consistent with ORS 294 – Local Budget Law and generally accepted accounting principles (GAAP). The Executive Director is responsible for submitting a proposed budget to the Budget Committee comprised of the Board of Directors and an equal number of citizens of the district. The district is required to prepare a budget for each fund that is balanced in accordance with ORS. Each fund is budgeted on the modified accrual basis of accounting. The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the board for final adoption. The approved expenditures for each fund may not be increased by more than 10% by the board without returning to the Budget Committee for a second approval. After the board adopts the budget and certifies the total ad valorem taxes to be levied, no additional tax levy may be made for that budget period.

The board legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and sets the level by which expenditures and other uses cannot legally exceed appropriations. For all funds, the levels of budgetary control are by organizational unit or program and then by the object classifications of debt service, capital outlay, transfers and operating contingency that cannot reasonably be allocated to one particular unit or program. Appropriations lapse at the end of the fiscal year for goods or services not yet received. The board may modify the budget by transferring appropriations between levels of control and by adopting supplemental budgets. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publications in newspapers and approval by the Board. All appropriations terminate on June 30.

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OTHER SUPPLEMENTARY INFORMATION

Major and Nonmajor Governmental Funds





Bend Metro Park and Recreation District, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
General Obligation Bond Debt Service Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
Revenues						
Property taxes	\$ 1,997,951	\$ 1,997,951	\$ 1,968,602	\$ -	\$ 1,968,602	\$ (29,349)
Investment earnings	3,500	3,500	33,615	1,232	34,847	30,115
Total revenues	<u>2,001,451</u>	<u>2,001,451</u>	<u>2,002,217</u>	<u>1,232</u>	<u>2,003,449</u>	<u>766</u>
Expenditures						
Debt service						
Principal	1,315,000	1,315,000 (1)	1,315,000	-	1,315,000	-
Interest	734,731	734,731 (1)	734,731	-	734,731	-
Reserves	99,781	99,781 (1)	-	-	-	99,781
Total expenditures	<u>2,149,512</u>	<u>2,149,512</u>	<u>2,049,731</u>	<u>-</u>	<u>2,049,731</u>	<u>99,781</u>
Net change in fund balance	(148,061)	(148,061)	(47,514)	1,232	(46,282)	100,547
Fund balances, July 1, 2022	<u>148,061</u>	<u>148,061</u>	<u>159,473</u>	<u>(1,667)</u>	<u>157,806</u>	<u>11,412</u>
Fund balances, June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,959</u>	<u>\$ (435)</u>	<u>\$ 111,524</u>	<u>\$ 111,959</u>

(1) Appropriation Level

Explanation of Differences:

Items recorded as revenues for GAAP purposes that are not recorded for budget purposes:

Unrealized gain/(loss) on investments \$ 1,232

Bend Metro Park and Recreation District, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Facility Reserve Capital Projects Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
Revenues						
Grants	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ 150,000
Intergovernmental	-	-	51,127	-	51,127	51,127
Investment earnings	75,000	75,000	431,608	-	431,608	356,608
Miscellaneous	200,000	200,000	-	-	-	(200,000)
Total revenues	275,000	275,000	632,735	-	632,735	357,735
Expenditures						
Current:						
Park services	1,959,717	1,959,717 (1)	1,573,984	(1,488,934)	85,050	385,733
Recreation services	1,138,990	1,138,990 (1)	841,437	(56,272)	785,165	297,553
Capital outlay	-	-	-	1,545,206	1,545,206	-
Operating contingency	2,000,000	2,000,000 (1)	-	-	-	2,000,000
Reserves	13,818,645	13,818,645 (1)	-	-	-	13,818,645
Total expenditures	18,917,352	18,917,352	2,415,421	-	2,415,421	16,501,931
Excess (deficiency) of revenues over expenditures	(18,642,352)	(18,642,352)	(1,782,686)	-	(1,782,686)	16,859,666
Other Financing Sources						
Transfers in	4,000,000	4,000,000	4,000,000	-	4,000,000	-
Total other financing sources	4,000,000	4,000,000	4,000,000	-	4,000,000	-
Net change in fund balance	(14,642,352)	(14,642,352)	2,217,314	-	2,217,314	16,859,666
Fund balances, July 1, 2022	14,642,352	14,642,352	15,889,593	-	15,889,593	1,247,241
Fund balances, June 30, 2023	\$ -	\$ -	\$ 18,106,907	\$ -	\$ 18,106,907	\$ 18,106,907

(1) Appropriation Level

Differences in Presentation between Budget and GAAP Basis:

The district records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated program's expenditures. These differences have no bearing on the fund balance since the overall total expenditures are the same.



Bend Metro Park and Recreation District, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Facility Rental	Equipment Reserve	Total
Assets			
Pooled cash and investments	\$ 1,969,191	\$ 606,258	\$ 2,575,449
Accounts receivable	24,433	1,226	25,659
Prepaid items	619	-	619
Total assets	<u>\$ 1,994,243</u>	<u>\$ 607,484</u>	<u>\$ 2,601,727</u>
Liabilities			
Accounts payable	\$ 6,331	\$ 1,190	\$ 7,521
Accrued payroll liabilities	8,562	-	8,562
Deposits payable	78,442	-	78,442
Unearned revenue	174,828	-	174,828
Total liabilities	<u>268,163</u>	<u>1,190</u>	<u>269,353</u>
Fund balances			
Nonspendable:	619	-	619
Committed to:			
Capital projects - equipment	-	606,294	606,294
Facility rental activities	1,725,461	-	1,725,461
Total fund balances	<u>1,726,080</u>	<u>606,294</u>	<u>2,332,374</u>
Total liabilities and fund balances	<u>\$ 1,994,243</u>	<u>\$ 607,484</u>	<u>\$ 2,601,727</u>

Bend Metro Park and Recreation District, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Facility Rental	Equipment Reserve	Total
Revenues			
Charges for services	\$ 643,085	\$ -	\$ 643,085
Grants	-	5,000	5,000
Investments	50,140	18,410	68,550
Miscellaneous	-	29,140	29,140
Total revenues	<u>693,225</u>	<u>52,550</u>	<u>745,775</u>
Expenditures			
Current:			
Director's office and administrative services	-	20,045	20,045
Facility rental program	357,716	-	357,716
Park services	-	15,606	15,606
Capital outlay	-	572,706	572,706
Total expenditures	<u>357,716</u>	<u>608,357</u>	<u>966,073</u>
Excess (deficiency) of revenues over expenditures	<u>335,509</u>	<u>(555,807)</u>	<u>(220,298)</u>
Other Financing Sources			
Proceeds from sale of capital assets	-	21,740	21,740
Transfers in	-	300,000	300,000
Total other financing sources	<u>-</u>	<u>321,740</u>	<u>321,740</u>
Net change in fund balances	335,509	(234,067)	101,442
Fund balances, July 1, 2022	<u>1,390,571</u>	<u>840,361</u>	<u>2,230,932</u>
Fund balances, June 30, 2023	<u>\$ 1,726,080</u>	<u>\$ 606,294</u>	<u>\$ 2,332,374</u>



Bend Metro Park and Recreation District, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Facility Rental Special Revenue Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
Revenues						
Charges for services	\$ 490,400	\$ 490,400	\$ 643,085	\$ -	\$ 643,085	\$ 152,685
Investment earnings	12,000	12,000	50,140	-	50,140	38,140
Total revenues	502,400	502,400	693,225	-	693,225	190,825
Expenditures						
Current:						
Facility rental program	468,076	468,076 (1)	357,716	-	357,716	110,360
Operating contingency	1,000,000	1,000,000 (1)	-	-	-	1,000,000
Reserves	365,575	365,575 (1)	-	-	-	365,575
Total expenditures	1,833,651	1,833,651	357,716	-	357,716	1,475,935
Net change in fund balance	(1,331,251)	(1,331,251)	335,509	-	335,509	1,666,760
Fund balances, July 1, 2022	1,331,251	1,331,251	1,390,571	-	1,390,571	59,320
Fund balances, June 30, 2023	\$ -	\$ -	\$ 1,726,080	\$ -	\$ 1,726,080	\$ 1,726,080

(1) Appropriation Level

Bend Metro Park and Recreation District, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Equipment Reserve Capital Projects Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final				
Revenues						
Grants	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 5,000
Investment earnings	2,000	2,000	18,410	-	18,410	(103)
Miscellaneous	-	-	29,140	-	29,140	29,140
Total revenues	2,000	2,000	52,550	-	52,550	34,037
Expenditures						
Current:						
Director's office and administrative services	79,001	79,001 (1)	76,441	(56,396)	20,045	2,560
Park services	429,000	429,000 (1)	419,117	(403,511)	15,606	9,883
Recreation services	113,915	113,915 (1)	112,799	(112,799)	-	1,116
Capital outlay	-	-	-	572,706	572,706	-
Operating contingency	200,000	200,000 (1)	-	-	-	200,000
Reserves	204,436	204,436 (1)	-	-	-	204,436
Total expenditures	1,026,352	1,026,352	608,357	-	608,357	417,995
Excess (deficiency) of revenues over expenditures	(1,024,352)	(1,024,352)	(555,807)	-	(555,807)	468,545
Other Financing Sources						
Proceeds from sale of capital assets	10,000	10,000	21,740	-	21,740	11,740
Transfers in	300,000	300,000	300,000	-	300,000	-
Total other financing sources	310,000	310,000	321,740	-	321,740	11,740
Net change in fund balance	(714,352)	(714,352)	(234,067)	-	(234,067)	480,285
Fund balances, July 1, 2022	714,352	714,352	840,361	-	840,361	126,009
Fund balances, June 30, 2023	\$ -	\$ -	\$ 606,294	\$ -	\$ 606,294	\$ 606,294

(1) Appropriation Level

Differences in Presentation between Budget and GAAP Basis:

The district records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated program's expenditures. These differences have no bearing on the fund balance since the overall total expenditures are the same.

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OTHER FINANCIAL SCHEDULES





**Bend Metro Park and Recreation District, Oregon
Schedule of Property Tax Transactions
For the Fiscal Year Ended June 30, 2023**

Tax Year	Property Taxes Receivable July 1, 2022	Levy as Extended by Assessor	Adjustments, Interest and Discounts	Cash Collections	Property Taxes Receivable June 30, 2023
2022-23	\$ -	\$ 24,263,957	\$ (654,810)	\$ (23,389,109)	\$ 220,038
2021-22	200,294	-	(6,121)	(104,987)	89,186
2020-21	76,908	-	3,608	(34,643)	45,873
2019-20	43,687	-	5,322	(33,225)	15,784
2018-19	12,561	-	1,257	(10,037)	3,781
2017-18	4,279	-	(204)	(2,008)	2,067
2016-17	1,771	-	254	(864)	1,161
2015-16	(1,452)	-	59	(291)	(1,684)
2014-15	1,299	-	12	(149)	1,162
2013-14	656	-	40	(105)	591
Prior	3,562	-	136	(217)	3,481
	<u>\$ 343,565</u>	<u>\$ 24,263,957</u>	<u>\$ (650,447)</u>	<u>\$ (23,575,635)</u>	<u>\$ 381,440</u>

Other tax collections and adjustments:

Interest earned on unsegregated taxes	(7,236)
Other tax distributions and land sales	(15,023)
Change in Potential tax credits held in escrow by County	(64,177)
County turnover timing adjustment	(19,034)

Total Property Tax Collected by BPRD

\$ (23,681,105)

Reconciliation to revenues:

Collections	\$ 23,681,105
Change in accrued revenue	(16,940)
Property Tax Revenues Governmental Funds	23,664,165
Change in unavailable revenue	17,037
Total Property Tax Revenues Governmental Activities	<u>\$ 23,681,202</u>

	Revenues	Property Taxes Receivable
Summary by fund:		
General Fund	\$ 21,695,563	\$ 452,703
General Obligation Bonds Debt Service Fund	1,968,602	41,998
Totals	<u>\$ 23,664,165</u>	<u>\$ 494,701</u>

A summary of the General Fund tax levies and collections during the past three years is as follows:

	2020-21	2021-22	2022-23
Current year's levy	\$ 19,815,061	\$ 20,954,081	\$ 22,246,777
Collections on current year's levy ⁽¹⁾	19,087,066	20,208,514	21,386,863
Percentage of collection	96.3%	96.4%	96.1%
Percentage of current year's levy uncollected at end of fiscal year ⁽²⁾	1.0%	0.9%	0.9%

A summary of the General Obligation Bonds Debt Service tax levies and collections during the past three years is as follows:

	2020-21	2021-22	2022-23
Current year's levy	\$ 2,069,183	\$ 1,947,098	\$ 2,017,181
Collections on current year's levy ⁽¹⁾	1,993,164	1,877,818	1,936,251
Percentage of collection	96.3%	96.4%	96.0%
Percentage of current year's levy uncollected at end of fiscal year ⁽²⁾	1.0%	0.9%	0.9%

(1) Data was retroactively revised in 2022.

(2) Uncollected percent at fiscal year end accounts for taxpayer discounts applied to current year levies.

Bend Metro Park and Recreation District, Oregon
Schedule of Future Debt Service Requirements
General Obligation Bonds
For the Fiscal Year Ended June 30, 2023

Fiscal Year Ending June 30,	Principal	Interest
2024	1,410,000	682,131
2025	1,510,000	625,731
2026	1,610,000	565,331
2027	1,725,000	492,882
2028	1,840,000	423,881
2029	1,960,000	350,281
2030	2,065,000	291,481
2031	2,175,000	226,951
2032	2,295,000	156,263
2033	2,420,000	81,675
Total	<u>\$ 19,010,000</u>	<u>\$ 3,896,607</u>



**Bend Metro Park and Recreation District, Oregon
Schedule of Future Debt Service Requirements
Direct Borrowing – Loan Payable
For the Fiscal Year Ended June 30, 2023**

Fiscal Year Ending June 30,	Principal	Interest
2024	482,661	24,489
2025	492,540	12,335
Total	<u>\$ 975,201</u>	<u>\$ 36,824</u>

STATISTICAL SECTION





Community Summer Celebration



STATISTICAL SECTION TABLE OF CONTENTS

The Statistical Section of the district's Annual Comprehensive Financial Report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the district's overall financial health.

Financial Trends (pages 106-113)

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

Revenue Capacity (pages 114-117)

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

Debt Capacity (pages 118-121)

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.

Demographic and Economic Information* (pages 122-123)

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

Operating Information (pages 124-126)

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.

Sources: Unless otherwise noted, the information in these schedules is derived from the published annual financial reports for the relevant year.

*The information used to prepare our Demographic and Economic Information is based upon data published for the city of Bend, which closely reflects the district's boundaries. The district's boundary is approximately 43.9 square miles and the city of Bend's is 37.2 square miles within the district's boundary. The roughly 6.7 square mile difference is primarily made up of low-density residential development and park land. No separate data is maintained by other parties for the district's boundary.



Bend Metro Park and Recreation District, Oregon
Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	June 30,				
	2014	2015	2016	2017	2018
Governmental activities:					
Net investment in capital assets	\$ 78,127,746	\$ 84,459,477	\$ 88,500,022	\$ 93,928,105	\$ 98,109,854
Restricted	6,956,991	9,002,872	16,362,379	20,110,007	20,170,539
Unrestricted	11,028,891	11,246,749	10,647,984	12,969,097	17,736,720
Total governmental activities net position	<u>\$ 96,113,628</u>	<u>\$ 104,709,098</u>	<u>\$ 115,510,385</u>	<u>\$ 127,007,209</u>	<u>\$ 136,017,113</u>

(continued)

Bend Metro Park and Recreation District, Oregon
Net Position, continued
Last Ten Fiscal Years
(accrual basis of accounting)

	June 30,				
	2019	2020	2021	2022	2023
Governmental activities:					
Net investment in capital assets	\$ 101,556,879	\$ 119,324,819	\$ 127,131,575	\$ 133,922,361	\$ 139,169,739
Restricted	24,413,983	14,293,200	15,653,919	15,760,376	20,387,447
Unrestricted	19,143,810	20,961,893	17,538,100	21,407,257	25,354,159
Total governmental activities net position	<u>\$ 145,114,672</u>	<u>\$ 154,579,912</u>	<u>\$ 160,323,594</u>	<u>\$ 171,089,994</u>	<u>\$ 184,911,345</u>

(concluded)



Bend Metro Park and Recreation District, Oregon
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 2,669,407	\$ 2,771,181	\$ 3,545,037	\$ 3,568,574	\$ 3,693,841
Planning and development	661,638	538,205	1,146,682	1,042,662	967,102
Facility rental	205,579	176,509	207,824	232,998	188,870
Park services	6,519,040	6,522,644	8,301,736	8,328,614	9,351,964
Recreation services	6,989,230	6,603,770	9,892,216	9,609,321	9,907,436
Interest on long-term debt	1,177,051	1,106,175	1,052,875	947,724	918,954
Total governmental activities expenses	<u>\$ 18,221,945</u>	<u>\$ 17,718,484</u>	<u>\$ 24,146,370</u>	<u>\$ 23,729,893</u>	<u>\$ 25,028,166</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 101,034	\$ 35,594	\$ 35,252	\$ 36,770	\$ -
Planning and development	4,932,741	5,427,787	10,951,017	9,863,588	6,411,052
Facility rental	245,793	265,622	324,456	329,630	417,356
Park services	-	8,048	-	-	-
Recreation services	5,009,488	5,292,305	6,560,722	7,000,166	7,508,219
Operating grants and contributions	88,817	50,151	59,542	87,017	214,374
Capital grants and contributions	664,908	1,441,960	384,646	156,953	420,367
Total governmental activities program revenues	<u>\$ 11,042,781</u>	<u>\$ 12,521,467</u>	<u>\$ 18,315,635</u>	<u>\$ 17,474,124</u>	<u>\$ 14,971,368</u>
Net (Expense)/Revenue	<u>\$ (7,179,164)</u>	<u>\$ (5,197,017)</u>	<u>\$ (5,830,735)</u>	<u>\$ (6,255,769)</u>	<u>\$ (10,056,799)</u>
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Property taxes, levied for general purposes	\$ 12,780,676	\$ 13,574,247	\$ 14,504,627	\$ 15,209,963	\$ 16,279,389
Property taxes, levied for bonded debt	1,806,545	1,821,101	1,722,094	1,813,541	1,853,253
Investment earnings	224,954	206,154	217,531	430,504	747,949
Gain on disposal of capital assets	12,745	66,690	27,200	-	-
Miscellaneous revenues	56,636	261,552	160,570	240,750	186,111
Total governmental revenues and other changes in net position	<u>\$ 14,881,556</u>	<u>\$ 15,929,744</u>	<u>\$ 16,632,022</u>	<u>\$ 17,694,758</u>	<u>\$ 19,066,702</u>
Change in Net Position	<u>\$ 7,702,392</u>	<u>\$ 10,732,727</u>	<u>\$ 10,801,287</u>	<u>\$ 11,438,989</u>	<u>\$ 9,009,904</u>

(continued)

Notes:

FY 2022 Loss on sale of capital assets has be reclassified to report as a direct expense of the related function/program
Totals may not add due to rounding

Bend Metro Park and Recreation District, Oregon
Changes in Net Position, continued
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,				
	2019	2020	2021	2022	2023
Expenses					
Governmental activities:					
General government	\$ 3,971,195	\$ 5,228,750	\$ 4,094,249	\$ 3,736,094	\$ 4,591,968
Planning and development	1,955,340	659,286	1,124,711	1,367,411	1,588,909
Facility rental	203,359	184,989	223,247	388,463	384,008
Park services	9,813,318	9,753,339	11,409,176	11,366,365	13,086,739
Recreation services	10,484,206	9,985,701	10,744,202	12,034,435	15,761,187
Interest on long-term debt	879,855	838,752	795,103	751,724	694,690
Total governmental activities expenses	<u>\$ 27,307,273</u>	<u>\$ 26,650,817</u>	<u>\$ 28,390,688</u>	<u>\$ 29,644,492</u>	<u>\$ 36,107,501</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Planning and development	7,465,749	7,600,115	7,792,806	9,124,371	10,772,411
Facility rental	449,599	293,311	170,096	501,696	643,085
Park services	-	44,760	-	-	-
Recreation services	7,551,532	5,971,415	3,805,155	7,484,896	10,355,275
Operating grants and contributions	205,750	445,575	506,061	278,983	531,181
Capital grants and contributions	108,492	107,972	167,670	518,355	1,881,070
Total governmental activities program revenues	<u>\$ 15,781,122</u>	<u>\$ 14,463,148</u>	<u>\$ 12,441,788</u>	<u>\$ 17,908,301</u>	<u>\$ 24,183,022</u>
Net (Expense)/Revenue	<u>\$ (11,526,151)</u>	<u>\$ (12,187,669)</u>	<u>\$ (15,948,900)</u>	<u>\$ (11,736,191)</u>	<u>\$ (11,924,479)</u>
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Property taxes, levied for general purposes	\$ 17,322,605	\$ 18,608,734	\$ 19,290,608	\$ 20,456,702	\$ 21,712,600
Property taxes, levied for bonded debt	1,879,260	1,946,151	2,014,542	1,901,211	1,968,602
Investment earnings	1,290,909	1,016,616	314,853	(210,598)	1,805,390
Gain on disposal of capital assets	-	-	11,000	-	-
Miscellaneous revenues	130,936	81,408	61,579	355,276	259,238
Total governmental revenues and other changes in net position	<u>\$ 20,623,710</u>	<u>\$ 21,652,909</u>	<u>\$ 21,692,582</u>	<u>\$ 22,502,591</u>	<u>\$ 25,745,830</u>
Change in Net Position	<u>\$ 9,097,559</u>	<u>\$ 9,465,240</u>	<u>\$ 5,743,682</u>	<u>\$ 10,766,400</u>	<u>\$ 13,821,351</u>

(concluded)

Notes:

FY 2022 Loss on sale of capital assets has be reclassified to report as a direct expense of the related function/program
Totals may not add due to rounding



Bend Metro Park and Recreation District, Oregon
Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 78,066	\$ 207,491	\$ 93,576	\$ 110,222	\$ 114,379
Assigned	1,500,000	1,500,000	1,500,000	2,000,000	4,062,675
Unassigned	3,307,120	3,827,477	3,772,214	3,139,312	2,264,727
Total general fund	4,885,186	5,534,968	5,365,790	5,249,534	6,441,781
All Other Governmental Funds					
Nonspendable	30,000	37,500	30,000	30,000	-
Restricted, reported in:					
Special revenue funds	30,621,485	14,826,801	16,867,173	19,996,753	20,043,666
Debt service funds	59,482	138,722	107,793	113,254	126,873
Total restricted	30,680,967	14,965,523	16,974,966	20,110,007	20,170,539
Committed, reported in:					
Special revenue funds	403,689	481,601	628,271	767,580	1,017,128
Capital projects funds	6,450,570	8,202,927	9,725,059	12,555,744	15,033,974
Total committed	6,854,259	8,684,528	10,353,330	13,323,324	16,051,102
Total all other governmental funds	37,565,226	23,687,551	27,358,296	33,463,331	36,221,641
Total governmental funds	42,450,412	29,222,519	32,724,086	38,712,865	42,663,422

(continued)

Note: Totals may not add due to rounding

Bend Metro Park and Recreation District, Oregon
Fund Balances, continued
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2019	2020	2021	2022	2023
General Fund					
Nonspendable	\$ 155,050	\$ 172,042	\$ 190,004	\$ 278,226	\$ 452,277
Assigned	3,401,720	6,025,892	5,859,045	7,225,615	9,075,427
Unassigned	3,034,338	2,534,015	2,744,591	1,621,678	1,570,844
Total general fund	6,591,108	8,731,949	8,793,640	9,125,519	11,098,548
All Other Governmental Funds					
Nonspendable	-	172,993	-	98,656	15,619
Restricted, reported in:					
Special revenue funds	24,264,962	14,084,912	15,389,208	15,602,570	20,122,789
Debt service funds	149,021	208,288	264,711	157,806	111,524
Total restricted	24,413,983	14,293,200	15,653,919	15,760,376	20,234,313
Committed, reported in:					
Special revenue funds	1,167,560	1,271,499	1,243,888	1,390,571	1,725,461
Capital projects funds	15,451,143	13,306,227	12,020,738	16,631,298	18,698,201
Total committed	16,618,703	14,577,726	13,264,626	18,021,869	20,423,662
Total all other governmental funds	41,032,686	29,043,919	28,918,545	33,880,901	40,673,594
Total governmental funds	47,623,794	37,775,868	37,712,185	43,006,420	51,772,142

(concluded)

Note: Totals may not add due to rounding



Bend Metro Park and Recreation District, Oregon
Changes in Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018
Revenues					
Property taxes	\$ 14,666,894	\$ 15,450,783	\$ 16,239,950	\$ 16,960,463	\$ 18,154,301
Charges for services	5,356,315	5,593,521	6,920,430	7,366,566	7,925,575
System development fees	4,824,247	5,305,916	10,951,017	9,863,589	6,411,052
Contributions	401,067	1,359,424	82,111	60,725	33,752
Grants	47,186	132,687	362,077	183,245	366,665
Sponsorships	-	-	-	-	116,682
Intergovernmental	-	-	-	-	117,642
Investments	224,952	206,154	217,531	430,504	747,949
Reimbursement for interfund services	108,494	129,919	102,498	105,889	136,072
Miscellaneous	56,636	261,552	160,570	234,871	142,178
Total revenues	25,685,791	28,439,956	35,036,184	35,205,852	34,151,867
Expenditures					
Current:					
Personnel services	10,114,224	10,994,835	12,433,135	12,863,494	14,063,002
Materials and services	4,293,628	4,533,869	4,934,159	5,153,160	5,291,275
Director's office and administrative services	-	-	-	-	-
Community relations	-	-	-	-	-
Facility rental program	-	-	-	-	-
Park services	-	-	-	-	-
Recreation services	-	-	-	-	-
Strategic planning and design	-	-	-	-	-
PERS special payment	-	-	-	-	-
Debt service					
Principal	1,095,000	1,128,147	1,210,051	1,291,049	1,366,047
Interest	1,163,419	1,116,967	1,055,012	1,028,516	1,000,647
Capital outlay	9,750,540	23,963,996	11,929,460	9,027,403	8,524,273
Total expenditures	26,416,811	41,737,814	31,561,817	29,363,622	30,245,243
Excess (deficiency) of revenues over expenditures	(731,020)	(13,297,858)	3,474,367	5,842,230	3,906,624
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	115,010	69,965	27,200	5,879	43,933
Right-of-use proceeds	-	-	-	-	-
Transfers in	5,203,419	3,884,714	5,985,235	5,899,641	4,217,821
Transfers out	(5,203,419)	(3,884,714)	(5,985,235)	(5,899,641)	(4,217,821)
Total Other Financing Sources (Uses)	115,010	69,965	27,200	5,879	43,933
Net Change in Fund Balances	\$ (616,010)	\$ (13,227,893)	\$ 3,501,567	\$ 5,848,109	\$ 3,950,557
Debt Service as a percentage of noncapital expenses ⁽¹⁾	13.3%	13.8%	11.1%	11.1%	10.1%

(continued)

Note: Totals may not add due to rounding

(1) Data was retroactively revised in 2022

Bend Metro Park and Recreation District, Oregon
Changes in Fund Balances, continued
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2019	2020	2021	2022	2023
Revenues					
Property taxes	\$ 19,211,321	\$ 20,536,746	\$ 21,382,102	\$ 22,298,961	\$ 23,664,165
Charges for services	8,001,131	6,309,486	3,975,615	7,986,592	10,998,360
System development fees	7,465,749	7,600,115	7,792,806	9,124,371	10,772,411
Contributions	20,000	23,811	190,555	25,916	26,381
Grants	38,492	115,812	7,089	387,269	597,000
Sponsorships	84,485	44,490	30,724	34,200	57,800
Intergovernmental	101,265	369,435	445,000	349,953	1,027,274
Investments	1,290,909	1,016,616	314,853	(210,598)	1,805,390
Reimbursement for interfund services	44,542	154,501	149,762	86,316	77,467
Miscellaneous	130,936	81,408	61,579	355,276	252,638
Total revenues	36,388,830	36,252,420	34,350,085	40,438,256	49,278,886
Expenditures					
Current:					
Personnel services	-	-	-	-	-
Materials and services	-	-	-	-	-
Director's office and administrative services	2,690,964	2,616,049	2,819,080	2,791,237	3,509,721
Community relations	728,391	745,628	615,216	690,569	805,829
Facility rental program	197,818	177,893	207,881	362,965	357,716
Park services	6,419,769	6,542,213	6,448,993	6,853,041	7,738,532
Recreation services	9,198,423	9,215,857	7,338,107	10,551,685	14,251,274
Strategic planning and design	1,266,434	1,285,458	1,320,120	1,525,895	1,754,926
PERS special payment	-	1,500,000	-	-	-
Debt service					
Principal	1,440,489	1,514,153	1,602,579	1,710,178	1,856,827
Interest	961,727	920,813	877,349	835,175	775,982
Capital outlay	8,532,243	21,592,782	13,195,442	9,957,132	9,717,955
Total expenditures	31,436,258	46,110,847	34,424,767	35,277,877	40,768,762
Excess (deficiency) of revenues over expenditures	4,952,572	(9,858,427)	(74,682)	5,160,379	8,510,124
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	7,800	10,500	11,000	8,000	21,740
Right-of-use proceeds	-	-	-	125,856	233,858
Transfers in	5,535,000	1,754,616	5,595,114	5,896,967	4,548,232
Transfers out	(5,535,000)	(1,754,616)	(5,595,114)	(5,896,967)	(4,548,232)
Total Other Financing Sources (Uses)	7,800	10,500	11,000	133,856	255,598
Net Change in Fund Balances	\$ 4,960,372	\$ (9,847,927)	\$ (63,682)	\$ 5,294,235	\$ 8,765,722
Debt Service as a percentage of noncapital expenses ⁽¹⁾	10.5%	10.0%	11.0%	10.1%	8.5%

(concluded)

Note: Totals may not add due to rounding

(1) Data was retroactively revised in 2022



Bend Metro Park and Recreation District, Oregon
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended June 30,	Real Property		Personal Property		Public Utilities		Total		Total Direct Tax Rate	Percent of TAV to RMV
	<u>RMV</u>	<u>TAV</u>	<u>RMV</u>	<u>TAV</u>	<u>RMV</u>	<u>TAV</u>	<u>RMV</u>	<u>TAV</u>		
2014	\$ 10,470,173	\$ 8,589,968	\$ 231,174	\$ 231,173	\$ 173,014	\$ 171,399	\$ 10,874,361	\$ 8,992,539	\$ 1.67	82.69%
2015	12,357,186	9,148,218	242,439	242,437	195,885	193,188	12,795,510	9,583,842	1.65	74.90%
2016	14,239,207	9,710,226	253,991	253,981	345,810	339,712	14,839,008	10,303,919	1.63	69.44%
2017	16,069,163	10,266,567	261,567	261,566	259,885	257,203	16,590,615	10,785,336	1.63	65.01%
2018	18,447,755	10,942,076	285,988	285,988	265,075	262,054	18,998,817	11,490,117	1.63	60.48%
2019	20,779,302	11,645,522	303,377	303,377	293,304	288,788	21,375,983	12,237,687	1.62	57.25%
2020	22,726,619	12,396,880	326,515	326,515	295,209	288,789	23,348,343	13,012,184	1.61	55.73%
2021	24,127,032	13,034,031	359,079	359,055	341,544	333,085	24,827,655	13,726,171	1.61	55.29%
2022	28,569,885	13,828,786	382,989	382,989	352,564	344,311	29,305,439	14,556,087	1.59	49.67%
2023	37,288,539	14,620,645	477,379	477,379	377,055	366,244	38,142,973	15,464,269	1.59	40.54%

RMV - Real Market Value

TAV - Total Assessed Value

Source: Deschutes County Assessor's Office

Note: Totals may not add due to rounding

Bend Metro Park and Recreation District, Oregon
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(per \$1,000 assessed value)
(unaudited)

Fiscal Year Ended June 30,	Bend Metro Park and Recreation District			Overlapping Rates							
	General	Debt Service	Total	City of Bend	Bend Urban Renewal District	Deschutes County	County Library	Education Service District	Central Oregon Community College	Bend-LaPine Admin School District 1	Total
2014	\$ 1.46	\$ 0.21	\$ 1.67	\$ 3.00	\$ 0.12	\$ 2.84	\$ 0.54	\$ 0.10	\$ 0.74	\$ 6.16	\$ 15.17
2015	1.46	0.19	1.65	3.19	0.13	2.72	0.54	0.10	0.73	6.20	15.26
2016	1.46	0.17	1.63	3.17	0.13	2.78	0.54	0.10	0.73	6.18	15.27
2017	1.46	0.17	1.63	3.16	0.12	2.77	0.54	0.10	0.74	6.17	15.25
2018	1.46	0.17	1.63	3.15	0.13	2.63	0.54	0.10	0.73	6.62	15.52
2019	1.46	0.16	1.62	3.14	0.14	2.65	0.54	0.10	0.72	6.61	15.53
2020	1.46	0.15	1.61	3.13	0.15	2.65	0.54	0.10	0.72	6.62	15.52
2021	1.46	0.15	1.61	3.12	0.15	2.65	0.54	0.10	0.72	6.61	15.50
2022	1.46	0.13	1.59	3.10	0.16	2.61	0.98	0.10	0.71	6.57	15.83
2023	1.46	0.13	1.59	3.26	0.21	2.61	0.88	0.09	0.69	6.53	15.86

Source: Deschutes County Assessor's Office

Notes:

Overlapping property tax rates are for a representative tax code area (1-001) within the district's boundary and include operating and debt service levels.
Deschutes County includes the following: Deschutes County, Countywide Law Enforcement, County Extension/4H, and 911.

Totals may not add due to rounding



Bend Metro Park and Recreation District, Oregon
Principal Property Taxpayers
For the Fiscal Years ended June 30, 2023 and June 30, 2014
(in thousands)
(unaudited)

Taxpayer	Fiscal Year Ended June 30, 2023			Fiscal Year Ended June 30, 2014		
	Rank	Taxable Assessed Value	Percentage of Total District Taxable Assessed Value ⁽¹⁾	Rank	Taxable Assessed Value	Percentage of Total District Taxable Assessed Value ⁽¹⁾
TDS Baja Broadband (formerly Bend Cable)	1	\$ 80,065	0.52%	5	\$ 31,849	0.35%
Pacificorp (PP&L)	2	76,947	0.50%	1	40,817	0.45%
Deschutes Brewery Inc	3	60,528	0.39%	4	33,263	0.37%
Crowdstrike Inc	4	58,665	0.38%	-	-	-
Bend Research Inc	5	56,046	0.36%	-	-	-
Cascade Natural Gas Corp	6	56,141	0.36%	10	24,632	0.27%
Touchmark at Mt Bachelor Village LLC	7	54,688	0.35%	2	37,624	0.42%
Suterra LLC	8	52,871	0.34%	6	33,785	0.38%
CVSC LLC	9	48,707	0.31%	3	35,345	0.39%
Forum Westside LLC	10	42,986	0.28%	-	-	-
West Bend Property Company LLC	-	-	-	7	9,461	0.11%
Deschutes Properties LLC	-	-	-	8	26,131	0.29%
Forum Holdings LLC	-	-	-	9	24,667	0.27%
Total		\$ 587,644	3.80%		\$ 297,574	3.31%

Source: Deschutes County Assessor's Office

Note: Totals may not add due to rounding

(1) Percent of total assessed value represents percent of taxpayers' total assessed value to the district's total assessed value of \$15,464,268,691 for 2023 and \$8,992,539,407 for 2014.

Bend Metro Park and Recreation District, Oregon
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30,	Collected within the Fiscal Year of Levy			Collections in Subsequent Years ⁽¹⁾	Total Collections to Date	
	Total Tax Levy	Amount Collected ⁽¹⁾	Percent of Levy Collected		Amount Collected	Percent of Levy Collected
2014	14,977,277	14,271,827	95.29%	326,417	14,598,244	97.47%
2015	15,814,457	15,111,157	95.55%	289,861	15,401,018	97.39%
2016	16,773,856	15,963,151	95.17%	370,749	16,333,900	97.38%
2017	17,557,740	16,751,965	95.41%	321,134	17,073,099	97.24%
2018	18,617,391	17,886,988	96.08%	258,353	18,145,341	97.46%
2019	19,772,100	18,996,037	96.07%	270,923	19,266,960	97.45%
2020	20,766,214	19,969,014	96.16%	264,495	20,233,509	97.43%
2021	21,884,244	21,080,230	96.33%	164,811	21,245,041	97.08%
2022	22,901,179	22,086,332	96.44%	104,987	22,191,319	96.90%
2023	24,263,957	23,389,109	96.39%	-	23,389,109	96.39%

Source: Deschutes County Assessor's Office

(1) Collection amounts were retroactively updated in 2022 to properly reflect collections in fiscal year of levy and collections in subsequent years.



Bend Metro Park and Recreation District, Oregon
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30,	General Obligation Bonds⁽¹⁾	Full Faith and Credit Obligations	Loans Payable	Unamortized Premiums⁽¹⁾	Total Outstanding Debt	Total Debt Percentage of Personal Income	Total Debt Per Capita	Personal Income⁽¹⁾ (expressed in thousands)	Population⁽³⁾
2014	\$ 28,230,000	\$ 4,640,000	\$ -	\$ 1,757,094	\$ 34,627,094	1.17%	\$ 442	\$ 2,955,383	78,280
2015	27,450,000	-	4,431,464	1,664,615	33,546,079	1.06%	419	3,155,888	79,985
2016	26,635,000	-	4,036,413	1,572,136	32,243,549	0.95%	397	3,388,594	81,310
2017	25,750,000	-	3,630,364	1,479,657	30,860,021	0.83%	370	3,710,323	83,500
2018	24,800,000	-	3,214,317	1,387,178	29,401,495	0.66%	339	4,464,599	86,765
2019	23,785,000	-	2,788,828	1,294,699	27,868,527	0.62%	311	4,492,703	89,505
2020	22,705,000	-	2,354,675	1,202,220	26,261,895	0.51%	287	5,158,409	91,385
2021	21,550,000	-	1,907,096	1,109,742	24,566,838	0.43%	265	5,683,293	92,840
2022	20,325,000	-	1,447,013	1,017,265	22,789,278	0.37%	226	6,178,041	100,922
2023	19,010,000	-	975,201	924,786	20,909,987	0.30%	203	6,966,284	102,834

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(1) Data was retroactively revised in 2022 to report principal and unamortized premiums separately.

(2) Refer to Demographic and Economic Statistics Schedule in this document for calculation of Personal Income.

(3) Population figures obtained from Portland State University Population Research Center's Certified Population Estimates. Data was retroactively revised in 2022.

Bend Metro Park and Recreation District, Oregon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30,	General Obligation Bonded Debt⁽¹⁾	Less: Amounts Available in Debt Service Fund⁽²⁾	Net General Obligation Bonded Debt	Percentage of Estimated Actual Taxable Value of Property⁽³⁾	Total Debt Per Capita	Population⁽⁴⁾
2014	\$ 28,230,000	\$ 59,482	\$ 28,170,518	0.26%	\$ 360	78,280
2015	27,450,000	138,722	27,311,278	0.21%	341	79,985
2016	26,635,000	107,793	26,527,207	0.18%	326	81,310
2017	25,750,000	113,254	25,636,746	0.15%	307	83,500
2018	24,800,000	126,873	24,673,127	0.13%	284	86,765
2019	23,785,000	149,021	23,635,979	0.11%	264	89,505
2020	22,705,000	208,288	22,496,712	0.10%	246	91,385
2021	21,550,000	264,711	21,285,289	0.09%	229	92,840
2022	20,325,000	157,806	20,167,194	0.07%	200	100,922
2023	19,010,000	111,524	18,898,476	0.05%	184	102,834

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(1) This is the only general bonded debt of the district. Data was retroactively revised in 2022.

(2) This is the amount restricted for debt service principal payments. FY 2022 amount corrected in FY 2023.

(3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 114.

(4) Population figures obtained from Portland State University Population Research Center's Certified Population Estimates. Data was retroactively revised in 2022.



Bend Metro Park and Recreation District, Oregon
Direct and Overlapping Debt
June 30, 2023
(unaudited)

Jurisdiction	Net Property Tax Backed Debt Outstanding	Estimated Percentage within District	Amount Applicable to Bend Metro Park and Recreation
Direct Debt			
Bend Metro Park and Recreation District	\$ 19,985,201	100.00%	\$ 19,985,201
Overlapping Debt			
Central Oregon Community College	39,020,000	44.45%	17,346,107
Central Oregon Regional Housing Authority	1,650,200	52.02%	858,437
City of Bend	153,346,815	99.99%	153,334,087
Deschutes County	23,775,000	52.02%	12,367,803
Deschutes County RFPD 2 (Bend)	8,470,000	18.98%	1,607,454
Deschutes County School District No. 1 (Bend-La Pine)	465,235,000	71.41%	332,211,752
Deschutes County School District No. 2 (Redmond)	198,787,330	0.30%	599,145
Deschutes Public Library District	189,200,000	52.02%	98,422,218
High Desert ESD	2,309,592	47.40%	1,094,705
Total overlapping debt	<u>\$ 1,081,793,937</u>	57.11%	<u>617,841,708</u>
Total direct and overlapping debt			<u><u>\$ 637,826,909</u></u>

Source: Oregon State Treasury, Debt Management Division

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 within the district's boundary. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government. Net property-tax backed debt was used as the Debt Outstanding which is derived from the gross property-tax backed debt less self-supported unlimited general obligations and self-supporting limited tax general obligation debt. The district's direct debt is the Total Outstanding Debt from the "Ratios of Outstanding Debt by Type" schedule, less unamortized premiums.

Bend Metro Park and Recreation District, Oregon
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	Fiscal Year Ended June 30,
Real Market Value	\$ 38,142,972,742
	2.5%
General obligation debt limit at 2.5% of real market value	953,574,319
Debt applicable to limit:	
General obligation bonds	19,010,000
Total net debt applicable to limit	19,010,000
Legal debt margin	\$ 934,564,319
Debt capacity percent	98.0%

Fiscal Year Ended June 30,	2.5% Debt Limit	Net Debt Subject to 2.5% Limit⁽¹⁾	Legal Debt Margin⁽¹⁾	Debt Capacity Percent⁽¹⁾
2014	\$ 271,859,037	\$ 28,230,000	\$ 243,629,037	89.6%
2015	319,887,758	27,450,000	292,437,758	91.4%
2016	370,975,205	26,635,000	344,340,205	92.8%
2017	414,765,372	25,750,000	389,015,372	93.8%
2018	474,970,425	24,800,000	450,170,425	94.8%
2019	534,399,569	23,785,000	510,614,569	95.5%
2020	583,708,575	22,705,000	561,003,575	96.1%
2021	620,691,367	21,550,000	599,141,367	96.5%
2022	732,635,964	20,325,000	712,310,964	97.2%
2023	953,574,319	19,010,000	934,564,319	98.0%

Source: Real Market Value obtained from Deschutes County Assessor's Office

Note: Oregon Revised Statutes (ORS) 266.512 states: Park and Recreation districts may issue up to an aggregate amount up to 2.5% of all the real market value of all taxable properties within the District as reflected in the last certified assessment roll per ORS 308.207.

(1) Data was revised in 2022



Bend Metro Park and Recreation District, Oregon
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30,	Population⁽¹⁾	Area (square miles)	Average Density* (person/ square miles)	Personal Income* (expressed in thousands)	Per Capita Income ⁽²⁾	School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾
2014	78,280	32.5	2,409	\$ 2,955,383	\$ 37,754	16,863	10.0%
2015	79,985	32.5	2,461	3,155,888	39,456	17,163	8.1%
2016	81,310	32.5	2,502	3,388,594	41,675	17,534	5.2%
2017	83,500	32.5	2,569	3,710,323	44,435	18,034	3.2%
2018	86,765	32.5	2,670	4,327,925	49,881	18,375	3.9%
2019	89,505	43.1	2,077	4,492,703	50,195	18,637	4.2%
2020	91,385	43.1	2,121	5,158,409	56,447	18,914	12.3%
2021	92,840	43.1	2,155	5,683,293	61,216	18,432	4.4%
2022	100,922	43.1	2,342	6,178,041	61,216	17,552	3.4%
2023	102,834	43.9	2,342	6,966,284	67,743	17,533	3.8%

Sources:

(1) Population figures obtained from Portland State University Population Research Center's Certified Population Estimates. In fiscal year 2022, population figures were retroactively updated to report populations as of beginning of fiscal year.

(2) Per capita personal income figures are for the Bend Metropolitan Statistical Area and are obtained from the U.S. Department of Commerce, Bureau of Economic Analysis. Although the Bureau of Economic Analysis provides annual revisions to prior year data, the District, for consistency, continues to report the data that was originally reported in prior years.

(3) School enrollment figures obtained from Bend-La Pine Administrative School District No. 1.

(4) Unemployment rates represent June seasonally adjusted unemployment rates for the Bend Metropolitan Statistical Area obtained from the U.S. Department of Labor, Bureau of Labor Statistics. Seasonally adjusted data for metropolitan areas and metropolitan divisions based on the 2010 Office of Management and Budget (OMB) delineations were introduced on July 1, 2015.

* Data was revised in 2022 due to population figures being retroactively updated to beginning of fiscal year.

Bend Metro Park and Recreation District, Oregon
Principal Employers
For the Fiscal Years ended June 30, 2023 and June 30, 2014
(unaudited)

Employer	Product or Service	2023			2014		
		Rank	Employees	Percent of Population Employed ⁽¹⁾	Rank	Employees	Percent of Population Employed ⁽¹⁾
St. Charles Health System	Health Care	1	3,506	3.4%	1	2,018	2.6%
Bend-La Pine School District No. 1	Education	2	2,300	2.2%	2	1,690	2.2%
Deschutes County	Government	3	1,284	1.2%	3	1,050	1.3%
Mt. Bachelor, formerly Mt. Bachelor Ski Resort	Recreation	4	1,081	1.1%	5	756	1.0%
City of Bend	Government	5	717	0.7%	-	-	0.0%
U.S. Forest Service / Deschutes National Forest	Government	6	615	0.6%	9	550	0.7%
Bend Park and Recreation District	Government	7	591	0.6%	-	-	-
OSU-Cascades	Education	8	470	0.5%	-	-	-
Lonza, formerly Bend Research	Research	9	463	0.5%	-	-	-
Central Oregon Community College (COCC)	Education	10	450	0.4%	7	650	0.8%
Sunriver Resort	Resort	-	-	-	4	900	1.1%
TRG Customer Solutions	Call Center	-	-	-	6	650	0.8%
Bend Memorial Clinic	Health Care	-	-	-	8	619	0.8%
Jeld Wen Windows and Doors	Retailer	-	-	-	10	480	0.6%
Total			11,477	11.2%		9,363	12.0%

Source: Economic Development for Central Oregon, Central Oregon Profile

Note: The above listing of principal employers represents major employers in Central Oregon.

(1) Percent of population employed represents percent of top 10 employers' employees to total population for the Bend Metropolitan Statistical Area of 102,834 for 2023 and 78,280 for 2014 (obtained from Portland State University Population Research Center's Certified Population Estimates).



Bend Metro Park and Recreation District, Oregon
Full-Time Equivalent District Employees by Program
Last Ten Fiscal Years
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Executive	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative	9.3	11.5	12.7	12.4	13.5	14.3	14.3	14.9	15.6	15.1
Community Relations	5.2	4.2	4.8	4.5	4.7	5.0	5.0	5.0	4.9	5.1
Strategic Planning and Design	4.9	10.2	10.5	10.2	10.2	10.3	11.4	11.5	11.4	11.6
Park Services	55.8	58.2	59.6	64.9	63.6	67.1	64.9	61.0	57.6	61.8
Recreation	100.8	103.9	120.2	128.1	136.1	139.0	133.6	97.2	128.2	152.2
Facility Rental	1.7	1.7	2.3	2.7	2.5	2.1	1.5	2.2	3.5	3.4
Total	178.6	190.6	210.9	223.9	231.6	238.9	231.6	192.7	222.2	250.2

Note: Totals may not add due to rounding

(1) A full-time employee is scheduled to work 2080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2080.

Bend Metro Park and Recreation District, Oregon
Operating Indicators by Recreation Program and Facility
Last Ten Fiscal Years
(unaudited)

Recreation Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Youth Recreation										
# of Participants ⁽¹⁾	938	1,051	1,172	1,839	2,347	1,604	2,082	4,092	2,166	6,151
# of Programs Held	89	87	182	114	120	132	127	242	168	342
Adult Enrichment										
# of Participants	1,198	1,570	1,651	1,261	1,267	857	823	38	574	628
# of Programs Held	200	268	284	250	243	134	95	7	96	78
Sports										
# of Participants	9,808	10,343	10,979	12,093	11,583	12,356	9,367	6,060	8,643	13,555
# of Programs Held	823	885	915	1,086	980	843	726	391	605	845
Therapeutic Recreation										
# of Participants	903	1,063	984	1,108	1,215	959	859	335	1,214	1,905
# of Programs Held	103	103	91	108	126	107	116	41	111	141
Aquatics										
# of Participants	6,695	8,755	7,521	8,201	7,100	8,984	7,634	2,245	7,178	9,650
# of Programs Held	757	874	850	866	770	864	778	470	929	1,053
Youth Enrichment										
# of Participants	4,896	4,779	4,806	3,747	5,312	3,373	2,593	1,339	2,591	1,799
# of Programs Held	966	659	652	618	623	495	391	154	234	175
Youth Outdoor Recreation										
# of Participants	563	698	700	586	825	2,404	1,809	561	1,728	85
# of Programs Held	65	79	84	86	92	96	80	40	78	9
Adult Outdoor Recreation										
# of Participants	1,069	934	707	665	613	623	379	255	408	322
# of Programs Held	182	192	125	127	126	57	32	14	16	13
Pavilion										
# of Participants	-	-	3,698	7,591	9,238	8,746	7,626	5,367	9,294	3,254
# of Programs Held	-	-	373	716	717	823	654	578	820	254
Art Station										
# of Participants	-	-	-	468	1,946	1,912	1,450	1,435	2,993	2,743
# of Programs Held	-	-	-	138	332	285	191	217	334	373
Total # of Participants	26,070	29,193	32,218	37,559	41,446	41,818	34,622	21,727	36,789	40,092
Total # of Programs Held	3,185	3,147	3,556	4,109	4,129	3,836	3,190	2,154	3,391	3,283
Visitation by Recreation Facility Location	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Larkspur Community Center and Bend Senior Center	34,930	35,040	43,058	46,583	53,356	49,914	34,152	33,789	196,992	269,697
Juniper Swim and Fitness Center	414,747	416,129	417,318	419,240	423,878	420,568	318,381	102,955	193,583	311,567
The Pavilion	-	-	25,063	26,396	34,566	32,403	26,256	18,827	35,284	73,563
Total Annual Visitation	449,677	451,169	485,439	492,219	511,800	502,885	378,789	155,571	425,859	654,827

Note: Totals may not add due to rounding

(1) Youth Recreation programs run for 10 months. The number of participants were divided by 10 for each fiscal year presented.



Bend Metro Park and Recreation District, Oregon
Capital Asset Statistics by Program
Last Ten Fiscal Years
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Outdoor Recreation										
Number of Parks	83	86	88	90	90	91	92	94	92	93
Completed Park Sites	75	78	79	84	84	84	85	88	87	87
Park Sites to be Developed	8	8	9	6	6	7	7	6	5	6
Acres of Developed Park Land	2,669	2,716	2,725	2,955	2,955	2,955	2,955	3,043	3,070	3,085
Developed Acres per 1,000 Resident	34	34	34	34	33	32	32	33	30	30
Miles of Trails	63	63	65	65	70	70	73	74	79	87
Bend Whitewater Park (number)	-	1	1	1	1	1	1	1	1	1
Indoor Recreation										
Indoor Recreation Facilities	2	3	3	4	4	4	4	5	5	5
Square Footage of Facilities:										
Juniper Swim & Fitness Center*	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Larkspur Community Center	-	-	-	-	-	-	-	34,957	34,957	34,957
Bend Senior Center	14,067	14,067	14,067	14,067	14,067	14,067	14,067	14,067	14,528	14,528
The Pavilion	-	-	47,780	47,780	47,780	47,780	47,780	47,780	47,780	47,780
Art Station	-	-	-	2,292	2,292	2,292	2,292	2,292	2,292	2,292

* Square footage includes outdoor activity pool and surrounding deck area

Note: In fiscal year 2022 a change was made in how the district calculates number of parks and miles of trails. The number of parks decreased due to a combination of satellite parcels combining into a larger parcel (e.g. Hillside Park). Miles of trails, while continuing to increase, were adjusted to remove river access points and trail easements where the district has no property interest or maintenance obligations.

AUDIT COMMENTS AND DISCLOSURES



play for life

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INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Bend Metro Park and Recreation District

We have audited the basic financial statements of the Bend Metro Park and Recreation District (the District) as of and for the year ended June 30, 2023 and have issued our report thereon dated December 11, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its 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, noncompliance with which could have a direct and material effect on the determination of financial statements 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 Chapter 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 the District 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.

OAR 162-10-0230 Internal Control

In planning and performing our audit, 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.

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

A handwritten signature in black ink that reads "Brenda Bartlett". The signature is written in a cursive, flowing style.

Brenda Bartlett, CPA
Sensiba LLP
Bend, Oregon

December 11, 2023

SINGLE AUDIT COMPLIANCE



play for life

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Independent Auditor's Report

Board of Directors
Bend Metro Park and Recreation District

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, and the aggregate remaining fund information of Bend Metro Park and Recreation District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Bend Metro Park and Recreation District's basic financial statements, and have issued our report thereon dated December 11, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bend Metro Park and Recreation District's internal control over financial reporting (internal control) as a basis for designing 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 Bend Metro Park and Recreation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bend Metro Park and Recreation 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bend Metro Park and Recreation 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brenda Baulett

Sensiba LLP
Bend, Oregon

December 11, 2023



Independent Auditor's Report

Board of Directors
Bend Metro Park and Recreation District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bend Metro Park and Recreation District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Bend Metro Park and Recreation District's major federal programs for the year ended June 30, 2023. Bend Metro Park and Recreation District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bend Metro Park and Recreation District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bend Metro Park and Recreation District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Bend Metro Park and Recreation District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Bend Metro Park and Recreation District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Bend Metro Park and Recreation District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Bend Metro Park and Recreation District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Bend Metro Park and Recreation District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Bend Metro Park and Recreation District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Bend Metro Park and Recreation District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brenda Baulett

Sensiba LLP
Bend, Oregon

December 11, 2023

play for life

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Bend Metro Park and Recreation District, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-through Agency/Program or Cluster Title	Assistance Listing Number	Federal Grant/State Pass-Through Number	Direct Expenditures	Pass-Through Expenditures to Subrecipients	Total Federal Expenditures
<u>U.S. Department of the Interior</u>					
Passed through:					
Oregon Parks and Recreation Department					
Outdoor Recreation Acquisition, Development and Planning	15.916	41-01617 / OP2553	\$ 969,670	\$ -	\$ 969,670
Total U.S. Department of the Interior			969,670	-	969,670
<u>U.S. Department of Agriculture</u>					
Passed through:					
Children's Forest of Central Oregon					
Youth Engagement Program	10.699	21-CS-11060100-010	5,000	-	5,000
Total U.S. Department of Agriculture			5,000	-	5,000
Total Federal Expenditures			\$ 974,670	\$ -	\$ 974,670

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Bend Metro Park and Recreation District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**BEND METRO PARK AND RECREATION DISTRICT
DESCHUTES COUNTY, OREGON**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified?
- Significant deficiencies?

No

None Reported

Noncompliance material to the financial statements noted?

No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified?
- Significant deficiencies identified?

No

None Reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?

No

Identification of major federal programs:

Assistance Listing No.

15.916

Name of Federal Program or Cluster

Outdoor Recreation Acquisition, Development and Planning

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

No

**BEND METRO PARK AND RECREATION DISTRICT
DESCHUTES COUNTY, OREGON**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.



Bend Park &
Recreation
DISTRICT