



The mission of  
North County Recreation  
District is to promote the  
educational, recreational,  
social and physical  
well-being of the entire  
north Tillamook County  
community by offering  
activities for all  
ages and abilities in an  
inviting environment.

Aquatics | Fitness  
Activities for Adults  
Performing Arts Center  
Rex Champ Ball Field  
Youth Center

PO Box 207  
36155 9<sup>th</sup> Street  
Nehalem OR 97131

855.444.6273  
www.ncrd.org

## North County Recreation District - Board Meeting Agenda

**Thursday February 19, 2026, 5:30pm**

**NCRD Fireside Room – 36155 9<sup>th</sup> St. Nehalem, OR 97131**

*The NCRD Board will meet in person. For those that do not prefer to attend in person, the Board will accept written public comment to [justins@ncrdnehaalem.org](mailto:justins@ncrdnehaalem.org).*

*The Board Meeting will be available via the zoom link below:*

<https://us02web.zoom.us/j/88938671878?pwd=sGUw56gqRNsDfUJANBD4exZwyIVENY.1>

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Declaration of Potential Conflict of Interest**
- 4. Public Comment** – in-person, written-in, or via Zoom
- 5. Correspondence**
- 6. Employee Recognition**
  - 6.1. Kelley Griffin-Whitlock – Patron Relations Specialist
- 7. Consent Agenda**
  - 7.1. Approval of January Board Meeting Minutes
  - 7.2. Approval of January Executive Director Report
- 8. Financial Report**
  - 8.1. Approval of January Financial Report
  - 8.2. Approval of Audit Report 2024/25
  - 8.3. Acceptance of Plan of Action for Annual Audit
- 9. Committee Reports**
  - 9.1. Communication Committee Update
- 10. Old Business**
  - 10.1. None
- 11. New Business**
  - 11.1. Executive Director Review discussion
- 12. Executive Director Report**
  - 12.1. Department Reports and updates
- 13. Announcements / Calendar**
  - 13.1. Riverbend Players – Misery starts 2/27
  - 13.2. March Board Meeting 3/19
  - 13.3. Terry Rob Solo acoustic Guitarist 3/28
  - 13.4. Barracuda – Heart cover band 4/18
- 14. Board Comment**
  - 14.1. General Board Comments
- 15. Adjournment**

Accessibility: This meeting is accessible to all. Please let us know at 855.444.6273 if you need any special accommodation to attend this meeting.

*NCRD is a Special District established under ORS 266*



# North County Recreation District

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Kelley consistently steps in wherever she is needed and approaches every task with a positive, can-do attitude. She shows a genuine willingness and eagerness to learn new responsibilities, even when it takes extra time, often asking us to “show her again so she can write it down.” Kelley is almost always the first to step up for an after-hours or weekend event, showcasing her strong commitment and reliability.

She cares deeply about her coworkers and the patrons we serve, always looking out for everyone’s well-being. On the main floor of the building, she truly is the “mother hen” dependable, supportive, and always ready to help. Kelley makes a point to ensure that people feel welcomed and valued, taking the time to answer questions and show visitors around our facility. Rest assured if a new patron comes in and they have a dog at home, Kelley will find out and they will connect over their love of dogs.

If there were an award for remembering birthdays, Kelley would win. She prides herself on remembering small details that make a big difference in workplace morale. We are incredibly grateful to have Kelley as part of our building, and her presence and attitude have a consistently positive impact on both our team, community and patrons. Thank you Kelley!

Employee of the Month  
**February 2026**

This certificate is proudly presented to

**Kelley Griffin-Whitlock**

In recognition of your exceptional performance, unwavering dedication, and positive attitude.  
Your commitment to excellence, consistent support of your colleagues, and contributions to  
the success of NCRD embody the values of our organization.

Thank you for going above and beyond in your role and for making a lasting impact on both our  
team and the community we serve.

Awarded this 19th day of February, 2026

Justin Smith, Executive Director

Michael Howes, Board Chair



# North County Recreation District

## North County Recreation District

### Board Meeting

January 17, 2026 5:30 pm

Fireside Room and Via Zoom

**Call to order** by Chairman, Michael Howes at 5:30 pm.

**Attendance:** Michael Howes, Doug Sparks, Frankie Knight III, Mary Gallagher, Erin Laskey-Wilson.

Recorder: Jennie Meyers

Staff: Justin Smith, Marcus Runkle, Kiley Konruff, Angie Terry, James Massa, Megan Neahring, Tim Schaeffer.

Friends of NCRD: Linda Makohon.

### **Pledge of Allegiance**

**Declaration of Potential Conflict of Interest:** None

**Public Comment:** None

**Correspondence:** None

**Employee Recognition:** Megan Neahring is honored this month as Employee of the Month. She is noted to be a team player, stepping in wherever needed. She stays late and keeps the area clean and organized. The kids that she deals with on a daily basis in the Youth Department look up to her as she represents a positive attitude in all her activities. Congratulations to Megan!!

**Consent Agenda:** The Minutes of the December Board Meeting and the December Executive Director's Report were approved by motion from Doug with second from Frankie.

**The motion passed unanimously.** Erin Laskey-Wilson was late arriving so did not vote on this motion.

**Howes – Yes**

**Sparks – Yes**

**Gallagher – Yes**

**Knight – Yes**

### **Financial Report:**

- Marcus reported that the auditor has completed the 24/25 Audit and has clarified capitalization of funds expended for the New Pool.

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# North County Recreation District

- Doug asked if the low membership could be addressed. Yes, the Department heads have met with the Executive Director and Finance Manager to discuss the issue.
- Michael pointed out the issue of propane expenses for the New Pool. Marcus noted that he and Justin have solicited assistance from several sources including our architect, Carl Sherwood, in order to understand the expense and if there is anything to do to mitigate the charges. A new "bulk price" has been negotiated by Kerry Brown and investigation into some possible billing errors is ongoing. It is the intent to shop other propane companies and to keep the focus on the issue until resolved.
- Doug asked about check signing and if an outside source could be used for payroll. Approximately 1/3 of the employees still request paper checks. Marcus noted that accounting software other than Quick Books is being investigated.
- Mary noted that the Equity portion of the financials doesn't appear to be correct. The auditor will advise how to make the correction. It was also noted that some of the pool costs have not been capitalized.
- Marcus noted that the auditor will attend the next Board Meeting to discuss the 24/25 audit.

There was a motion to accept the Finance Report as presented made by Mary, second by Frankie.

**The motion passed unanimously.**

**Howes – Yes**

**Sparks – Yes**

**Gallagher – Yes**

**Knight – Yes**

**Laskey-Wilson - Yes**

## **Committee Reports.**

The communications committee has met and reviewed guidelines. The report will be presented at the next Board Meeting

## **NEW BUISNESS:**

### **Friends of NCRD Foundation Report:**

Marcus reported that one of the current Board Members, Kaleen Wineinger, has resigned from the Board for personal reasons. He has reported that three new members are being brought forward for approval of this Board as represented by Resolution 2026-01.

The names are as follows:

Wendy Bakker

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# North County Recreation District

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Linda Makohon

Carol Mills

The Resolution was read. A motion to approve the Resolution was made by Frankie, second by Erin.

**The motion passed unanimously.**

**Howes – Yes**

**Sparks – Yes**

**Gallagher – Yes**

**Knight – Yes**

**Laskey-Wilson - Yes**

## **Loan Repayment:**

### **Resolution 2026-02 Authorization of FF&C Loan Principal Repayment**

The Resolution that authorizes the principal repayment of \$1,000,000 to Zion Bank toward the FF&C obligation was read by Chairman Howes. The Finance/Operations Director is authorized to execute all necessary documents and take all actions required to complete the repayment in accordance with the loan agreement.

There was as motion by Mary, second by Doug to approve Resolution 2026-2.

**The motion passed unanimously.**

**Howes – Yes**

**Sparks – Yes**

**Gallagher – Yes**

**Knight – Yes**

**Laskey-Wilson - Yes**

## **Executive Director Report:**

Reports of statistics from all of the Departments were given.

## **Upcoming events:**

- Design Team will have a report at the February Meeting
- Time off advice
- Insurance Benefits Program is in full swing Those who sign up with be a test group for fobs usage
- Dave Hall has been hired as Pool Maintenance
- Closed for MLK Day on January 19, 2026
- Next Board Meeting February 19, 2026 5:30

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# North County Recreation District

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## Board Comments:

Doug: Insurance Benefits Program – Well Done!!

Frankie: The Holiday Party with Families was a great success, especially the kid-friendly movie in the PAC. More use of the building for the community is encouraged. He appreciates the management's ability to make real time decisions and able to "pivot on a dime".

Erin: Refreshing to hear about all the good directions at NCRD. Thanks to Marcus for great financial reports that are easy to understand.

Mary: So thankful for the Insurance Benefits Program and the effort to get it in place.

Michael: We are on the edge of great things!!

The next meeting is scheduled for February 19, 2026 at 5:30.

The meeting was adjourned at 6:22 pm.

Respectfully submitted

Jennie Meyers, Recorder

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# NORTH COUNTY Recreation District

## January 2026 Executive Director Report

### Correspondence

None

### Employee Recognition

Meghan Neahring – Youth Attendant

### Sportsman

- Data review

### Department Reports

#### **Fitness**

- Christmas Youth Gift Bag for Nehalem Bay Methodist Church: Fitness Department came together and fulfilled one youth ticket wish list, which included: Clothes, Headphones, Music Items, and Gift Card.
- Pop Goes the Heart Prep is in Full Swing: Saturday Volunteers at Little Apple are happening, banners around facility have been set up, and baskets in welcome center are on display.
- New Yoga Blocks for Spin Fusion have been added to classroom.
- 10am Fitness Classes, Stretch and Balance and Functional Fitness for Seniors have both moved from 10am to 10:15am starting time to allow easier clean-up and transition between classes.
- We had an increase of 50 visits vs December 2024
- We have 665 more total visits to the fitness center this year when compared to last year.

#### **Youth/Sports**

- Number of Youth programs participants was 48 in after-school and 13 in futsal.
- Open 19 days this month averaging 17 kids a day.
- We had 6 no school days in December.
- Futsal concluded on December 19.
- Basketball began in January 12.

#### **Aquatics**

- We have started a new fitness program! On Tuesday and Thursday evenings we will be having our Deep-Water Aqua Aerobics class, taught by our very own Misty Hadermann!
- We have started a new partnership with Hope Inspired Private School! Their students will now be joining our Swim Safe Program.
- We ran with reduced operation for the 2 weeks of December and added in extra open swims while school was out. We had a record 94 on Christmas eve.
- We had 1756 visits in December, an increase from 946 in December of 2024. That's an increase of 60%!
- Our 3 new lifeguards are finishing onboarding.





### **Adult Activities**

- The weather, power outages and holidays contribute to a slow month for NCRD Adult Activities. The figures show that people came for these on only two weeks of the month. We had about a 50% drop in users.
- Although one artist figured out that we have a generator and heat, so she came and painted with Jane that Wednesday morning. All through the afternoon I hosted various people in the Fireside Room who had come in to get warm, have something hot to drink and charge electronics.
- Scone Friday is split now between the pool and the Fireside Room. Odd months are in the Fireside Room, even months at the pool lobby.
- January will start Great Decisions, the American Foreign Policy Discussion Group. This runs for 8 weeks, using a briefing book prepared by the Foreign Policy Association. All are welcome to attend. The briefing books are for sale in the Welcome Center.

### **Performing Arts Center**

#### **Events:**

- Nov. 15<sup>th</sup> the Nehalem Valley Historical Society talked about recent finds along the Nehalem Bay of the 1694 beeswax shipwreck.
- Riverbend has been in the PAC with their performance of The Holiday Channel Christmas Movie Wonderthon. They conclude December 21.

### **Executive Director**

- I have been working with the design team to finalize the signs and concepts. Their final design report will be presented soon.
- I took some time off this month only working Monday and Tuesday the week of Christmas and New Years.
- We had our staff holiday party, about 60 attended, we had pasta for dinner and finished the night off with a movie in the PAC.
- The district was closed 12/25, 12/26 and 1/1.
- We are now accepting insurance benefit memberships. We have gotten over 30 so far!

### **Hiring Update:**

- The aquatics director's role was closed, and we will be conducting interview on 1/30/26.
- I send an offer to Dave Hall for the aquatic's maintenance position.
- Reviewing the PAC coordinator role. Kiley is helping cover rentals and performances.

### **Upcoming events:**

- NVHS is presenting Seaside Riots on Saturday @ 3:30pm
- Riverbend will be in the facility at the end of the month to begin building their set.



# North County Recreation District

## **REVENUE & EXPENSE NARRATIVE THROUGH January 31, 2026 (58.33% OF FISCAL YEAR COMPLETED)**

This financial narrative summarizes the District's year-to-date (YTD) revenues and expenditures as compared to the adopted annual budget. As of January 31, 2026, 58.33% of the fiscal year has been completed. Under a linear spending model, revenues and expenditures would be expected to approximate 58.33% of the annual budget. Variances above or below this benchmark primarily reflect the District's seasonal revenue cycle, property tax distribution timing, staffing patterns, and capital-related expenditures.

### **REVENUE ANALYSIS**

Total revenues through January 31, 2026 are \$2,286,373.93, representing 68.22% of the adopted annual revenue budget of \$3,351,697.00. Revenue performance remains ahead of the 58.33% benchmark. This favorable variance continues to reflect the District's property tax collection cycle, where the majority of tax revenues are received during the November and December distribution periods.

Key observations include:

- Non-Allocated Revenues (Property Taxes) continue to perform strongly and remain the primary driver of overall revenue performance.
- Administration revenues remain ahead of budget at 116.23%, reflecting timing and classification differences that are not indicative of structural over-collection.
- Aquatics revenues are performing at 72.14%, exceeding the benchmark and reflecting strong program participation and sustained community demand. Increase in operating hours, offerings, and rentals are a directly tied to this increase in revenue.
- Adult Activities (49.21%), Youth Programs (38.30%), Fitness (44.33%), and Performing Arts Center (7.90%) remain below benchmark primarily due to seasonal programming patterns and event timing.
- Capital Asset Reserve Fund (CARF) revenues are at 44.33%, consistent with scheduled transfers.
- Aquatic Center Project Fund (ACPF) revenues remain limited, as construction-related funding activity has largely concluded.

Overall, revenue trends remain stable and consistent with expected seasonal patterns. No adverse revenue concerns are identified at this time.

### **EXPENSE ANALYSIS**

Total expenditures through January 31, 2026 are \$1,753,637.25, representing 70.27% of the annual expense budget of \$2,495,426.00. This places total expenditures approximately 12 percentage points above the linear benchmark of 58.33%. The variance is largely attributable to project-related expenditures and front-loaded operational costs.



# North County Recreation District

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## Departmental Highlights

- Administration expenses total 76.02% of budget. Personnel, payroll taxes, and benefit costs remain the primary drivers and are consistent with year-round staffing obligations. The increase in expenses is due to higher than anticipated Property and Casualty Insurance, staff overtime, and staff covering other areas (PAC).
- Aquatics expenses total 71.33% of budget. Staffing and PR taxes remain elevated due to operational demands and winter programming. Materials and services reflect continued operational supply usage.
- Adult Activities expenses remain favorable at 26.67% of budget, indicating conservative spending and seasonal timing differences.
- Fitness expenses are at 55.77%, closely aligned with benchmark expectations.
- Performing Arts Center expenses are at 28.41%, reflecting event-based scheduling and lower winter activity levels.
- Youth Programs expenses total 66.27%, moderately above benchmark due to school-year staffing and benefit obligations concentrated in the first half of the fiscal year.
- Capital Asset Reserve Fund - No expenditures have occurred to date (0.00%), consistent with reserve planning and capital scheduling.
- Aquatic Center Project Fund expenses total 132.11% of budget. This variance reflects final project-related closeout costs, material purchases, and project timing adjustments associated with the Aquatic Center. These costs are capital in nature and do not represent ongoing operational overspending.

## FINANCIAL POSITION & STEWARDSHIP

At 58.33% of the fiscal year completed:

- Revenues are performing ahead of benchmark (68.22%).
- Expenses are elevated (70.27%) primarily due to capital and staffing timing factors.
- Operational departments remain within reasonable control thresholds.
- Reserve funds remain intact.
- No structural budget imbalance is identified.

The variance in ACPF expenditures continues to reflect project closeout timing rather than operational stress. Continued monitoring of Aquatics materials and Administration personnel costs will ensure alignment with year-end expectations.

Overall, the District remains financially stable and well-positioned to meet operational commitments, sustain program delivery, and manage capital obligations through the remainder of the fiscal year.

# North County Recreation District

## Revenue and Expense Report

AA=Adult Activities AD=Administration AQ=Aquatics FIT=Fitness PAC=Performing Arts Center  
YP=Youth Programs CARF=Capital Asset Reserve Fund ACPF=Aquatic Center Project Fund

Current percentage of the fiscal year: **58.33%**

Through January 31, 2026	FY-to-Date	Annual Budget	Remaining	% Used
<b>REVENUES--</b>				
Activities	\$ -	\$ 7,492.00	\$ 7,492.00	0.00%
Aquatics	\$ 81,676.18	\$ 113,219.00	\$ 31,542.82	72.14%
Administration	\$ 369,805.92	\$ 318,174.00	\$ (51,631.92)	116.23%
Fitness	\$ 78,664.00	\$ 159,843.00	\$ 81,179.00	49.21%
Performing Arts Center	\$ 22,652.00	\$ 87,950.00	\$ 65,298.00	25.76%
Youth Programs	\$ 43,147.37	\$ 112,671.00	\$ 69,523.63	38.30%
Non-Allocated	\$ 1,465,554.01	\$ 1,710,979.00	\$ 245,424.99	85.66%
Capital Asset Reserve Fund	\$ 192,739.45	\$ 434,769.00	\$ 242,029.55	44.33%
Aquatic Center Project Fund	\$ 32,135.00	\$ 406,600.00	\$ 374,465.00	7.90%
<b>Total Revenues</b>	<b>\$ 2,286,373.93</b>	<b>\$ 3,351,697.00</b>	<b>\$ 1,065,323.07</b>	<b>68.22%</b>
<b>EXPENSES--</b>				
AA Staffing	\$ 4,896.21	\$ 16,480.00	\$ 11,583.79	29.71%
AA PR Taxes and Benefits	\$ 401.59	\$ 1,280.00	\$ 878.41	31.37%
AA Materials, Supplies, and Services	\$ 505.22	\$ 4,000.00	\$ 3,494.78	12.63%
Sub-total AA Expenses	<b>\$ 5,803.02</b>	<b>\$ 21,760.00</b>	<b>\$ 15,956.98</b>	<b>26.67%</b>
AQ Staffing	\$ 170,578.43	\$ 264,957.00	\$ 94,378.57	64.38%
AQ PR Taxes and Benefits	\$ 55,763.47	\$ 127,338.00	\$ 71,574.53	43.79%
AQ Materials, Supplies, and Services	\$ 107,440.16	\$ 75,657.00	\$ (31,783.16)	142.01%
Sub-total AQ Expenses	<b>\$ 333,782.06</b>	<b>\$ 467,952.00</b>	<b>\$ 134,169.94</b>	<b>71.33%</b>
AD Staffing	\$ 281,622.46	\$ 437,216.00	\$ 155,593.54	64.41%
AD PR Taxes and Benefits	\$ 94,848.02	\$ 100,718.00	\$ 5,869.98	94.17%
AD Materials, Supplies, and Services	\$ 197,984.51	\$ 217,700.00	\$ 19,715.49	90.94%
Sub-total AD Expenses	<b>\$ 574,454.99</b>	<b>\$ 755,634.00</b>	<b>\$ 181,179.01</b>	<b>76.02%</b>
FIT Staffing	\$ 118,597.57	\$ 211,652.00	\$ 93,054.43	56.03%
FIT PR Taxes and Benefits	\$ 22,867.05	\$ 31,341.00	\$ 8,473.95	72.96%
FIT Materials, Supplies, and Services	\$ 8,448.54	\$ 25,835.00	\$ 17,386.46	32.70%
Sub-total FIT Expenses	<b>\$ 149,913.16</b>	<b>\$ 268,828.00</b>	<b>\$ 118,914.84</b>	<b>55.77%</b>
PAC Staffing	\$ 9,871.43	\$ 38,135.00	\$ 28,263.57	25.89%
PAC PR Taxes and Benefits	\$ 790.85	\$ 2,962.00	\$ 2,171.15	26.70%
PAC Materials, Supplies, and Services	\$ 28,083.28	\$ 95,299.00	\$ 67,215.72	29.47%
Sub-total PAC Expenses	<b>\$ 38,745.56</b>	<b>\$ 136,396.00</b>	<b>\$ 97,650.44</b>	<b>28.41%</b>
YP Staffing	\$ 75,062.15	\$ 110,385.00	\$ 35,322.85	68.00%
YP PR Taxes and Benefits	\$ 18,490.42	\$ 23,215.00	\$ 4,724.58	79.65%
YP Materials, Supplies, and Services	\$ 20,207.89	\$ 38,056.00	\$ 17,848.11	53.10%
Sub-total YP Expenses	<b>\$ 113,760.46</b>	<b>\$ 171,656.00</b>	<b>\$ 57,895.54</b>	<b>66.27%</b>
CARF Materials, Supplies, and Services	\$ -	\$ 266,600.00	\$ 266,600.00	0.00%
Sub-total CARF Expenses	<b>\$ -</b>	<b>\$ 266,600.00</b>	<b>\$ 266,600.00</b>	<b>0.00%</b>
ACPF Materials, Supplies, and Services	\$ 537,178.00	\$ 406,600.00	\$ (130,578.00)	132.11%
Sub-total ACPF Expenses	<b>\$ 537,178.00</b>	<b>\$ 406,600.00</b>	<b>\$ (130,578.00)</b>	<b>132.11%</b>
<b>Total Expenses</b>	<b>\$ 1,753,637.25</b>	<b>\$ 2,495,426.00</b>	<b>\$ 741,788.75</b>	<b>70.27%</b>

Green	Favorable
Yellow	Concerned
Red	Unfavorable

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**North County Recreation District**  
**Budget vs. Actual, General Fund, FY 2024 - 2025**

Accrual Basis

Transactions through Jan 31, 2026 - 58.33% of budget year

	Jul '24 - Jan 26	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
Income				
Friends of NCRD - Other	320.00			
<b>INCOME</b>				
Beginning Fund Balance				
NWC - Restricted				
Donations	2,000.00	2,000.00	0.00	100.0%
Scholarships	200.00	2,400.00	-2,200.00	8.3%
Total NWC - Restricted	2,200.00	4,400.00	-2,200.00	50.0%
NWC - Unrestricted	1,202,362.00	1,240,942.00	-38,580.00	96.9%
Total Beginning Fund Balance	1,204,562.00	1,245,342.00	-40,780.00	96.7%
User Fees and Charges				
Activities Fees				
Trip Fees & Transport - General	0.00	2,000.00	-2,000.00	0.0%
Total Activities Fees	0.00	2,000.00	-2,000.00	0.0%
Aquatics User Fees	111,619.68	140,000.00	-28,380.32	79.7%
Fitness User Fees				
Fitness Personal Training	1,932.00	8,000.00	-6,068.00	24.2%
Fitness User Fees - Other	206,281.69	243,600.00	-37,318.31	84.7%
Total Fitness User Fees	208,213.69	251,600.00	-43,386.31	82.8%
Youth Program	64,115.44	97,500.00	-33,384.56	65.8%
Youth Sports	11,694.00	18,700.00	-7,006.00	62.5%
Youth Camps	3,522.00	13,460.00	-9,938.00	26.2%
Pre-School Swim Fees	1,760.00	4,800.00	-3,040.00	36.7%
User Fees and Charges - Other	250.00	4,331.00	-4,081.00	5.8%
Total User Fees and Charges	401,174.81	532,391.00	-131,216.19	75.4%
Ticket Sales	13,964.00	16,000.00	-2,036.00	87.3%
Riverbend Players	28,089.67	32,000.00	-3,910.33	87.8%
Fundraising Income				
Unrestricted				
Event Fundraising- Participants	8,800.60	12,000.00	-3,199.40	73.3%
Event Fundraising - Sponsors	4,106.00	10,000.00	-5,894.00	41.1%
Total Unrestricted	12,906.60	22,000.00	-9,093.40	58.7%
Total Fundraising Income	12,906.60	22,000.00	-9,093.40	58.7%
Grants and Scholarships				
Restricted				
Grants	259,758.77	323,000.00	-63,241.23	80.4%
Scholarships	17,012.80	34,735.00	-17,722.20	49.0%
School Swim Program NKN #56	11,067.00	22,466.00	-11,399.00	49.3%
Total Restricted	287,838.57	380,201.00	-92,362.43	75.7%
Grants and Scholarships - Other	0.00	15,000.00	-15,000.00	0.0%
Total Grants and Scholarships	287,838.57	395,201.00	-107,362.43	72.8%
Preschool Teacher Reimbursement	64,143.67	94,298.00	-30,154.33	68.0%
Dedicated Space Rental				
Community Center Room Rentals	19,483.50	26,200.00	-6,716.50	74.4%
Preschool Rental	4,625.00	6,525.00	-1,900.00	70.9%
Dedicated Space Rental - Other	900.00			
Total Dedicated Space Rental	25,008.50	32,725.00	-7,716.50	76.4%
Event Sponsorship	2,984.28	5,000.00	-2,015.72	59.7%
TBCC Contract	9,680.24	21,250.00	-11,569.76	45.6%
Concessions Income	605.00	5,250.00	-4,645.00	11.5%
Donations	27,302.75	32,900.00	-5,597.25	83.0%
Interest				
General Fund	209,750.12	36,500.00	173,250.12	574.7%
Interest - Other	12,840.45			
Total Interest	222,590.57	36,500.00	186,090.57	609.8%
Taxes (previously levied)	49,144.38	63,550.00	-14,405.62	77.3%
Taxes (current year)	2,877,257.71	2,435,069.00	442,188.71	118.2%
Misc Income	16,108.89	9,000.00	7,108.89	179.0%
Total INCOME	5,243,361.64	4,978,476.00	264,885.64	105.3%
Total Income	5,243,681.64	4,978,476.00	265,205.64	105.3%
Gross Profit	5,243,681.64	4,978,476.00	265,205.64	105.3%

# North County Recreation District Budget vs. Actual, General Fund, FY 2024 - 2025

Transactions through Jan 31, 2026 - 58.33% of budget year

Accrual Basis

	Jul '24 - Jan 26	Budget	\$ Over Budget	% of Budget
<b>Expense</b>				
<b>DEBT SERVICE</b>				
FF&C Obligation Principal - Jun	0.00	180,000.00	-180,000.00	0.0%
FF&C Obligation Interest - June	0.00	50,700.00	-50,700.00	0.0%
FF&C Obligation Interest - Dec.	0.00	50,700.00	-50,700.00	0.0%
<b>Total DEBT SERVICE</b>	<b>0.00</b>	<b>281,400.00</b>	<b>-281,400.00</b>	<b>0.0%</b>
<b>PERSONNEL SERVICES</b>				
<b>ACTIVITIES</b>				
Activities Coordinator	21,477.45	37,670.00	-16,192.55	57.0%
<b>Total ACTIVITIES</b>	<b>21,477.45</b>	<b>37,670.00</b>	<b>-16,192.55</b>	<b>57.0%</b>
<b>ADMINISTRATION</b>				
Maintenance II	46,573.61	76,323.00	-29,749.39	61.0%
Admin specialist	52,449.93	53,560.00	-1,110.07	97.9%
Executive Director	171,750.38	188,000.00	-16,249.62	91.4%
Finance Manager	105,477.29	158,717.00	-53,239.71	66.5%
Welcome Center Staff	113,435.70	198,324.00	-84,888.30	57.2%
Pre-School Teacher	63,990.43	92,341.00	-28,350.57	69.3%
Custodial Staff	24,717.89	63,202.00	-38,484.11	39.1%
Facility Operations Manager	34,054.38	48,204.00	-14,149.62	70.6%
Maintenance Supervisor	86,966.95	98,122.00	-11,155.05	88.6%
Maintenance and Gardening	17,332.61	22,495.00	-5,162.39	77.1%
<b>Total ADMINISTRATION</b>	<b>716,749.17</b>	<b>999,288.00</b>	<b>-282,538.83</b>	<b>71.7%</b>
<b>AQUATICS</b>				
Aquatics Director/Ast. Ex. Dir.	115,132.66	140,669.00	-25,536.34	81.8%
Swim Program Manager	45,568.96	86,222.00	-40,653.04	52.9%
Aquatics Instructors	64,654.37	153,614.00	-88,959.63	42.1%
Aquatics Maintenance	17,313.00	35,242.00	-17,929.00	49.1%
Lifeguards	126,162.72	246,619.00	-120,456.28	51.2%
<b>Total AQUATICS</b>	<b>368,831.71</b>	<b>662,366.00</b>	<b>-293,534.29</b>	<b>55.7%</b>
<b>FITNESS</b>				
Personal Trainer	1,947.83	8,570.00	-6,622.17	22.7%
Fitness Director	86,708.19	115,255.00	-28,546.81	75.2%
Fitness Supervisor	29,572.23	51,709.00	-22,136.77	57.2%
Fitness Attendant	115,862.58	139,186.00	-23,323.42	83.2%
Fitness Instructor	65,133.40	94,213.00	-29,079.60	69.1%
<b>Total FITNESS</b>	<b>299,224.23</b>	<b>408,933.00</b>	<b>-109,708.77</b>	<b>73.2%</b>
<b>PERFORMING ARTS CENTER</b>				
PAC Coordinator	37,709.52	57,957.00	-20,247.48	65.1%
PAC Assistants	2,365.88	16,058.00	-13,692.12	14.7%
<b>Total PERFORMING ARTS CENTER</b>	<b>40,075.40</b>	<b>74,015.00</b>	<b>-33,939.60</b>	<b>54.1%</b>
<b>YOUTH</b>				
Youth Program Director	88,893.79	114,907.00	-26,013.21	77.4%
Youth Program Assistants	87,927.69	104,761.00	-16,833.31	83.9%
Youth Sports Coordinator	1,409.57	4,249.00	-2,839.43	33.2%
Youth Sports Assistants	0.00	4,285.00	-4,285.00	0.0%
<b>Total YOUTH</b>	<b>178,231.05</b>	<b>228,202.00</b>	<b>-49,970.95</b>	<b>78.1%</b>
<b>Overtime</b>	<b>253.13</b>			
6560 - Payroll Expenses	177,661.29	192,710.00	-15,048.71	92.2%
<b>Health Insurance</b>	<b>115,813.27</b>	<b>204,418.00</b>	<b>-88,604.73</b>	<b>56.7%</b>
Workers' Comp. Insurance	9,264.09	10,558.00	-1,291.91	87.8%
Retirement, NCRD Contribution	32,483.07	59,909.00	-27,425.93	54.2%
<b>Total PERSONNEL SERVICES</b>	<b>1,960,063.86</b>	<b>2,878,067.00</b>	<b>-918,003.14</b>	<b>68.1%</b>
<b>MATERIALS &amp; SERVICES</b>				
Misc.	12,408.73	12,500.00	-91.27	99.3%
Grants	24,163.52	98,000.00	-73,836.48	24.7%
Fitness Event Fundraising	3,451.67	22,000.00	-18,548.33	15.7%
Misc. Supplies	520.08	1,550.00	-1,029.92	33.6%
Minor Equipment	223.95	3,000.00	-2,776.05	7.5%
Donations	5,315.00	25,650.00	-20,335.00	20.7%
Equipment Maintenance	2,719.22	1,650.00	1,069.22	164.8%
Maintenance Equipment/Repairs	10,669.58	11,000.00	-330.42	97.0%
<b>Maintenance Materials/Supplies</b>	<b>13,253.75</b>	<b>4,500.00</b>	<b>8,753.75</b>	<b>294.5%</b>
Main Bldg. - Groundskeep/Maint	35,798.67	45,500.00	-9,701.33	78.7%
Janitorial Supplies	7,227.68	9,000.00	-1,772.32	80.3%
Champ Fld. - Groundskeep/Maint	2,231.34	6,500.00	-4,268.66	34.3%
Inspections & Licenses	10,311.49	7,910.00	2,401.49	130.4%
Concessions Expenses	0.00	4,500.00	-4,500.00	0.0%
Artist Fees	39,991.99	42,000.00	-2,008.01	95.2%
Equipment	8,096.20	22,300.00	-14,203.80	36.3%
<b>Office/Program Equipment</b>	<b>17,667.75</b>	<b>19,500.00</b>	<b>-1,832.25</b>	<b>90.6%</b>
Pool Chemicals	14,733.87	29,000.00	-14,266.13	50.8%
Pool Materials	17,164.17	26,000.00	-8,835.83	66.0%

**North County Recreation District**  
**Budget vs. Actual, General Fund, FY 2024 - 2025**

Accrual Basis

Transactions through Jan 31, 2026 - 58.33% of budget year

	Jul '24 - Jan 26	Budget	\$ Over Budget	% of Budget
<b>Supplies</b>				
Office/Program Supplies	40,644.71	27,500.00	13,144.71	147.8%
Classroom Supplies	4,355.77	4,000.00	355.77	108.9%
Printing & Supplies	1,297.83	1,500.00	-202.17	86.5%
Sports Supplies	2,094.05	8,000.00	-5,905.95	26.2%
Supplies - Other	3,614.33	4,850.00	-1,235.67	74.5%
<b>Total Supplies</b>	<b>52,006.69</b>	<b>45,850.00</b>	<b>6,156.69</b>	<b>113.4%</b>
<b>Advertising</b>	<b>8,336.29</b>	<b>14,000.00</b>	<b>-5,663.71</b>	<b>59.5%</b>
Ads/Print/Newsletter/PR/Promo	4,020.61	6,500.00	-2,479.39	61.9%
Camps and Workshops	7,969.82	28,000.00	-20,030.18	28.5%
<b>Activity/Event Fees</b>	<b>0.00</b>	<b>2,600.00</b>	<b>-2,600.00</b>	<b>0.0%</b>
<b>Property and Casualty Insurance</b>				
Property and Casualty Insurance	37,466.00	38,000.00	-534.00	98.6%
Property and Casualty Insurance - Other	73,153.00	39,900.00	33,253.00	183.3%
<b>Total Property and Casualty Insurance</b>	<b>110,619.00</b>	<b>77,900.00</b>	<b>32,719.00</b>	<b>142.0%</b>
<b>Professional Services</b>	<b>94,860.64</b>	<b>85,000.00</b>	<b>9,860.64</b>	<b>111.4%</b>
<b>Training/Certifications</b>	<b>12,728.88</b>	<b>28,150.00</b>	<b>-15,421.12</b>	<b>45.2%</b>
Transportation/Lodging/Mileage	362.12	2,250.00	-1,887.88	16.1%
Bank Charges	10,332.27	10,800.00	-467.73	95.7%
<b>Utilities</b>				
Electricity	40,907.74	46,284.00	-5,376.26	88.4%
Garbage	5,157.44	5,844.00	-686.56	88.3%
Oil	48,825.66	50,000.00	-1,174.34	97.7%
Sewer	4,968.00	5,516.00	-548.00	90.1%
Internet/Phone	40,147.13	48,056.00	-7,908.87	83.5%
Water	24,544.88	18,265.00	6,279.88	134.4%
Propane	70,842.33	23,500.00	47,342.33	301.5%
<b>Total Utilities</b>	<b>235,393.18</b>	<b>197,465.00</b>	<b>37,928.18</b>	<b>119.2%</b>
<b>Total MATERIALS &amp; SERVICES</b>	<b>762,378.16</b>	<b>890,575.00</b>	<b>-128,196.84</b>	<b>85.6%</b>
<b>CONTINGENCIES</b>				
General Operating Contingency	0.00	40,000.00	-40,000.00	0.0%
CONTINGENCIES - Other	0.00	20,000.00	-20,000.00	0.0%
<b>Total CONTINGENCIES</b>	<b>0.00</b>	<b>60,000.00</b>	<b>-60,000.00</b>	<b>0.0%</b>
<b>Total Expense</b>	<b>2,722,442.02</b>	<b>4,110,042.00</b>	<b>-1,387,599.98</b>	<b>66.2%</b>
<b>Net Ordinary Income</b>	<b>2,521,239.62</b>	<b>868,434.00</b>	<b>1,652,805.62</b>	<b>290.3%</b>
<b>Other Income/Expense</b>				
Other Income	6,384.88			
Refunds	6,384.88			
<b>Total Other Income</b>	<b>6,384.88</b>			
<b>Net Other Income</b>	<b>6,384.88</b>			
<b>Net Income</b>	<b>2,527,624.50</b>	<b>868,434.00</b>	<b>1,659,190.50</b>	<b>291.1%</b>

**North County Recreation District**  
**Balance Sheet w/ Prev Month Comparison**  
**As of January 31, 2026**

Accrual Basis

	Jan 31, 26	Dec 31, 25	% Change
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1st Security Bank - CKNG	123,331.24	204,004.39	-39.5%
1st Security Bank- DEBIT	2,965.92	3,704.80	-19.9%
LGIP	3,583,365.23	3,633,923.07	-1.4%
LGIP_NEW_POOL			
FF&C Obligation Proceeds (LGIP)	11,383.31	11,383.31	0.0%
LGIP_NEW_POOL - Other	-11,383.28	-11,383.28	0.0%
Total LGIP_NEW_POOL	0.03	0.03	0.0%
Petty Cash	350.62	350.62	0.0%
Total Checking/Savings	3,710,013.04	3,841,982.91	-3.4%
Accounts Receivable			
1200 - Accounts Receivable	18,286.00	750.00	2,338.1%
Total Accounts Receivable	18,286.00	750.00	2,338.1%
Total Current Assets	3,728,299.04	3,842,732.91	-3.0%
Fixed Assets			
Fixed Assets	4,291,151.55	4,291,151.55	0.0%
Accumulated Depreciation	-1,251,840.00	-1,251,840.00	0.0%
Total Fixed Assets	3,039,311.55	3,039,311.55	0.0%
<b>TOTAL ASSETS</b>	<b>6,767,610.59</b>	<b>6,882,044.46</b>	<b>-1.7%</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 - Accounts Payable	20,499.30	25,679.81	-20.2%
Total Accounts Payable	20,499.30	25,679.81	-20.2%
Other Current Liabilities			
Accrued Vacation Pay	22,079.87	22,079.87	0.0%
2100 - Payroll Liabilities			
Med Company	560.86	-53.57	1,147.0%
Med Employee	560.86	-53.57	1,147.0%
OR Unemp	-167.68	-287.99	41.8%
OR WBF	164.90	60.08	174.5%
OR Withholding	2,606.00	-214.00	1,317.8%
Retirement, NCRD Contribution	7,499.58	6,530.32	14.8%
SS Company	2,396.01	-231.26	1,136.1%
SS Employee	2,396.01	-231.26	1,136.1%
Withholding	2,056.00	-110.00	1,969.1%
2100 - Payroll Liabilities - Other	23,532.16	21,176.97	11.1%
Total 2100 - Payroll Liabilities	41,604.70	26,585.72	56.5%
Total Other Current Liabilities	63,684.57	48,665.59	30.9%
Total Current Liabilities	84,183.87	74,345.40	13.2%
Long Term Liabilities			
FF&C Obligations Payable 2025	1,940,500.00	1,940,500.00	0.0%
Premium on FF&C Obligations	270,202.80	270,202.80	0.0%
GO Bonds Payable 2021	4,295,000.00	4,295,000.00	0.0%
Premium on Bonds Payable	540,107.70	540,107.70	0.0%
FF&C Obligations Payable 2021	3,145,000.00	3,145,000.00	0.0%
Total Long Term Liabilities	10,190,810.50	10,190,810.50	0.0%
<b>Total Liabilities</b>	<b>10,274,994.37</b>	<b>10,265,155.90</b>	<b>0.1%</b>



**North County Recreation District**  
**Balance Sheet w/ Prev Month Comparison**  
**As of January 31, 2026**

Accrual Basis

	Jan 31, 26	Dec 31, 25	% Change
<b>Equity</b>			
Temporary Fund Balance Forward	-27,530,777.00	-27,530,777.00	0.0%
Capital Improvement-Assigned	2,161,140.55	2,161,140.55	0.0%
Capital Improvement-Restricted	5,235.00	5,235.00	0.0%
3000 - Capital Improvement-Unassigned	2.70	2.70	0.0%
General Fund-Nonspendable	224.00	224.00	0.0%
General Fund-Unassigned	91,590.50	91,590.50	0.0%
3900 - Retained Earnings	21,226,736.56	21,226,736.56	0.0%
Net Income	538,463.91	662,736.25	-18.8%
<b>Total Equity</b>	<b>-3,507,383.78</b>	<b>-3,383,111.44</b>	<b>-3.7%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>6,767,610.59</b>	<b>6,882,044.46</b>	<b>-1.7%</b>

# North County Recreation District Transaction List by Vendor January 2026

Type	Date	Num	Memo	Account	Split	Amount
Amazon Check	01/16/2026	ach		1st Security Bank - ...	-SPLIT-	-1,760.16
Angie Terry Bill Pmt -C...	01/13/2026	27396	Youth Supplies	1st Security Bank - ...	2000 · Accounts Payable	-54.60
Center Pointe Designs Bill	01/27/2026			2000 · Accounts Pa...	182 Building, Sitemap, Nat. ...	-8,749.65
Charter Communications Bill Pmt -C...	01/13/2026	27397	Acct #176540201	1st Security Bank - ...	2000 · Accounts Payable	-130.00
Bill	01/27/2026		Acct #176540201	2000 · Accounts Pa...	-SPLIT-	-130.00
CIS Trust Check	01/06/2026	ACH		1st Security Bank - ...	-SPLIT-	-8,431.64
Liability Ch...	01/13/2026	27394		1st Security Bank - ...	2100 · Payroll Liabilities	-135.52
Liability Ch...	01/13/2026	27395		1st Security Bank - ...	2100 · Payroll Liabilities	-156.90
City of Manzanita. Bill Pmt -C...	01/13/2026	27398	536.01	1st Security Bank - ...	2000 · Accounts Payable	-129.08
CivicPlus, LLC Bill	01/12/2026	360680	Archive Social	2000 · Accounts Pa...	Professional Services	-4,168.77
Bill Pmt -C...	01/13/2026	27399	Archive Social	1st Security Bank - ...	2000 · Accounts Payable	-4,168.77
Clearent LLC Check	01/08/2026	ACH		1st Security Bank - ...	Bank Charges	-649.30
Deer Island Studios Bill Pmt -C...	01/13/2026	27400	Invoice No.: 1954	1st Security Bank - ...	2000 · Accounts Payable	-295.00
Ferrellgas Bill Pmt -C...	01/13/2026	27401	ACCT# 49454438	1st Security Bank - ...	2000 · Accounts Payable	-10,384.62
First Citizens Bank & Trust Co. Bill Pmt -C...	01/13/2026	27402	Customer No.: 1844814	1st Security Bank - ...	2000 · Accounts Payable	-830.78
Bill	01/27/2026			2000 · Accounts Pa...	Office/Program Equipment	-269.06
HASCO Stations, LLC (SH) Bill Pmt -C...	01/13/2026	27403	Acct ID: 30273	1st Security Bank - ...	2000 · Accounts Payable	-633.64
Bill	01/31/2026	HCL-0...		2000 · Accounts Pa...	Maintenance Materials/Sup...	-53.55
IconiPro Bill	01/01/2026	54214	Fire Alarm Monitoring Cust # 1508	2000 · Accounts Pa...	-SPLIT-	-328.44
Bill Pmt -C...	01/13/2026	27404		1st Security Bank - ...	2000 · Accounts Payable	-644.57
Justin Smith Bill Pmt -C...	01/13/2026	27405	Reimbursement - Aquatic Center Supplies	1st Security Bank - ...	2000 · Accounts Payable	-33.48
Karen Small. Bill Pmt -C...	01/13/2026	27406	Gallery Sales (December 2025)	1st Security Bank - ...	2000 · Accounts Payable	-430.00
LGL Bill	01/01/2026	14220	Invoice #14220	2000 · Accounts Pa...	Professional Services	-171.00
Bill Pmt -C...	01/13/2026	27407	Invoice #14220	1st Security Bank - ...	2000 · Accounts Payable	-171.00
Manzanita Fresh Foods Bill Pmt -C...	01/13/2026	27408	In-Store Charges	1st Security Bank - ...	2000 · Accounts Payable	-31.06
Manzanita Lumber Bill Pmt -C...	01/13/2026	27409	September 2025 Charges	1st Security Bank - ...	2000 · Accounts Payable	-1,169.75
marcus runkle Bill	01/13/2026	Holida...	Supplies Reimbursement	2000 · Accounts Pa...	Misc.	-367.43
Bill Pmt -C...	01/13/2026	27425	Supplies Reimbursement	1st Security Bank - ...	2000 · Accounts Payable	-367.43



# North County Recreation District Transaction List by Vendor January 2026

Type	Date	Nm	Memo	Account	Split	Amount
<b>MossyTech</b>						
Bill	01/01/2026	MSP...	IT Services Remote	2000 · Accounts Pa...	Professional Services	-2,065.00
Bill Pmt -C...	01/13/2026	27410	IT Services Remote	1st Security Bank - ...	2000 · Accounts Payable	-2,065.00
<b>MossyTel</b>						
Bill	01/01/2026	MTLO...	Phone System	2000 · Accounts Pa...	-SPLIT-	-492.47
Bill Pmt -C...	01/13/2026	27411	Phone System	1st Security Bank - ...	2000 · Accounts Payable	-492.47
<b>Nehalem Bay Waste Water Agency</b>						
Bill	01/01/2026	01012...	Billing: Jul/Aug/Sept 2025	2000 · Accounts Pa...	-SPLIT-	-720.00
Bill Pmt -C...	01/13/2026	27412	Billing: Jul/Aug/Sept 2025	1st Security Bank - ...	2000 · Accounts Payable	-720.00
<b>Nehalem Lumber Co.</b>						
Bill Pmt -C...	01/13/2026	27413	#401-404	1st Security Bank - ...	2000 · Accounts Payable	-1,006.11
<b>NuCO2</b>						
Check	01/09/2026	ACH	CO2	1st Security Bank - ...	Pool Chemicals	-114.35
Check	01/27/2026	ACH	CO2	1st Security Bank - ...	Pool Chemicals	-136.85
<b>OR Health Authority</b>						
Bill	01/27/2026	NEW...		2000 · Accounts Pa...	Inspections & Licenses	-600.00
<b>Oregon Department of Revenue</b>						
Liability Ch...	01/13/2026	27393	0514127-8	1st Security Bank - ...	OR Withholding	-2,464.00
Liability Ch...	01/27/2026	27441	0514127-8	1st Security Bank - ...	OR Withholding	-2,803.00
<b>Oregon Government Ethics Commission</b>						
Bill	01/27/2026		Vendor No.: OGE0000977	2000 · Accounts Pa...	Inspections & Licenses	-1,310.09
<b>Oregon Parks &amp; Recreation Association</b>						
Bill	01/02/2026	30000...	2026 ORPA Membership (10 seats)	2000 · Accounts Pa...	Professional Services	-1,050.00
Bill Pmt -C...	01/13/2026	27414	2026 ORPA Membership (10 seats)	1st Security Bank - ...	2000 · Accounts Payable	-1,050.00
<b>Oregon Secretary of State</b>						
Bill	01/12/2026		BIN: 0514127-8; Year End: 06/30/2024	2000 · Accounts Pa...	Professional Services	-350.00
Bill Pmt -C...	01/13/2026	27415	BIN: 0514127-8; Year End: 06/30/2024	1st Security Bank - ...	2000 · Accounts Payable	-350.00
<b>Pacific Office Automation</b>						
Bill Pmt -C...	01/13/2026	27416	Customer: 307593	1st Security Bank - ...	2000 · Accounts Payable	-55.18
<b>Par-Tech Construction, Inc.</b>						
Bill	01/07/2026	PO #1	NCRD NP Project	2000 · Accounts Pa...	1&2 Building, Sitemap, Nat ...	-12,577.00
Bill Pmt -C...	01/13/2026	27417	NCRD NP Project	1st Security Bank - ...	2000 · Accounts Payable	-12,577.00
<b>Recology Western Oregon</b>						
Bill Pmt -C...	01/13/2026	27418	Acct #1080369975	1st Security Bank - ...	2000 · Accounts Payable	-402.12
<b>RTI Nehalem Telecom</b>						
Bill	01/01/2026	01012...	Acct No.: 725076	2000 · Accounts Pa...	-SPLIT-	-193.64
Bill Pmt -C...	01/13/2026	27419	Acct No.: 725076	1st Security Bank - ...	2000 · Accounts Payable	-193.64
<b>Ryko Enterprises</b>						
Bill	01/01/2026	122769	Cash Drawer Cables	2000 · Accounts Pa...	Office/Program Equipment	-61.43
Bill Pmt -C...	01/13/2026	27420	Cash Drawer Cables	1st Security Bank - ...	2000 · Accounts Payable	-61.43
<b>Scott Imholt Construction, Inc.</b>						
Bill Pmt -C...	01/13/2026	27421	Invoice No.: 824	1st Security Bank - ...	2000 · Accounts Payable	-3,042.31
<b>Special Districts Insurance Services</b>						
Bill	01/01/2026	41P12...	Entity No.: 12976	2000 · Accounts Pa...	-SPLIT-	-73,153.00
Bill Pmt -C...	01/13/2026	27422	Entity No.: 12976	1st Security Bank - ...	2000 · Accounts Payable	-73,153.00
<b>Square</b>						
Deposit	01/20/2026		Deposit	1st Security Bank - ...	Misc Income	1.06

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**North County Recreation District**  
**Transaction List by Vendor**  
**January 2026**

Type	Date	Num	Memo	Account	Split	Amount
<b>Strong Refuge Pool</b>						
Bill	01/08/2026	Cubby	Invoice No.: 3555	2000 - Accounts Pa...	1&2 Building, Sitemwork, Nat. ...	-2,048.20
Bill Pmt -C...	01/13/2026	27423	Invoice No.: 3555	1st Security Bank - ...	2000 - Accounts Payable	-2,048.20
<b>Tillamook County Library</b>						
Bill Pmt -C...	01/13/2026	27424	Easy Origami: 0255102842317 J736.92 Mei...	1st Security Bank - ...	2000 - Accounts Payable	-12.95
<b>Tillamook PUD</b>						
Bill	01/27/2026		54438	2000 - Accounts Pa...	-SPLIT-	-2,663.95
<b>United States Treasury</b>						
Liability Ch...	01/13/2026	E-pay	91-1826428 QB Tracking # 2052791038	1st Security Bank - ...	-SPLIT-	-7,365.90
Liability Ch...	01/27/2026	E-pay	91-1826428 QB Tracking # -1409505358	1st Security Bank - ...	-SPLIT-	-8,511.42

# KOONTZ, BLASQUEZ

ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2025

Board of Directors  
North County Recreation District  
Nehalem, Oregon 97131

We have audited the financial statements of North County Recreation District as of and for the year ended June 30, 2025, and have issued our report thereon dated December 30, 2025. Professional standards require that we advise you of the following matters relating to our audit.

## ***Our Responsibility In Relation to the Financial Statement Audit***

As communicated in our engagement letter dated June 19, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of North County Recreation District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting, material noncompliance, and other matters noted during our audit in a separate letter to you dated December 30, 2025.

## ***Planned Scope and Timing of the Audit***

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## ***Compliance with All Ethics Requirements Regarding Independence***

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

920 Elm Street SW • P.O. Box 605 • Albany, Oregon 97321  
(541) 926-5543 • (541) 967-9460 fax

## ***Qualitative Aspects of the District's Significant Accounting Practices***

### ***Significant Accounting Policies***

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by North County Recreation District is included in Note I to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### ***Significant Accounting Estimates and Related Disclosures***

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimates of depreciable lives and salvage values of capital assets, which are based on expected useful lives of the assets and current market conditions. We evaluated the key factors and assumptions used to develop the depreciable lives and salvage values and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### ***Financial Statement Disclosures***

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

### ***Significant Difficulties Encountered During the Audit***

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### ***Uncorrected and Corrected Misstatements***

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements that we identified as a result of our audit procedures are summarized in the attached schedule and were brought to the attention of, and corrected by, management.

### ***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to North County Recreation District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### ***Representations Requested from Management***

We have requested certain written representations from management, which are included in the attached letter dated December 30, 2025.

### ***Management's Consultations with Other Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### ***Other Significant Matters, Findings, or Issues***

In the normal course of our professional association with North County Recreation District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the board of directors and management of North County Recreation District and is not intended to be and should not be used by anyone other than these specified parties.

  
Debra L. Blasquez, CPA  
Koontz, Blasquez & Associates, P.C.

**North County Recreation District**  
**Proposed Audit Adjustments to be Recorded by Client**  
**June 30, 2025**

<u>Description</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Equity</u>
To remove non-modified accrual items:					
General Fund	\$ (3,098,812)	\$ (22,080)	\$ 852,372	\$ 57,802	\$ 4,543,988
Capital Asset Reserve Fund	-	-	-	-	-
Aquatic Center Project Fund	59,480	(10,190,810)	2,000,000	165,000	-
To balance funds:					
General Fund	(605,808)	-	-	-	-
Capital Asset Reserve Fund	315,661	-	-	-	-
Aquatic Center Project Fund	290,147	-	-	-	-
To record note receivable:					
General Fund	5,000	-	-	(5,000)	-
To accrual 7/3 payroll					
General Fund	-	43,934	-	43,934	-



**NORTH COUNTY RECREATION DISTRICT**

**P.O. Box 207  
Nehalem, Oregon 97131**

Koontz, Blasquez & Associates, P.C.  
P.O. Box 605  
Albany, Oregon 97321

This representation letter is provided in connection with your audit of the governmental activities and each major fund of North County Recreation District as of June 30, 2025 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and results of operations of the various opinion units of North County Recreation District in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in light of surrounding circumstances, 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.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of signature of this letter:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 19, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.

7. We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
8. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
9. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of accounting principles generally accepted in the United States of America.
9. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
10. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed.
11. We have reviewed and approved the various adjusting journal entries you have proposed for recording in our books and records and reflected in the financial statements.
12. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (FASB Accounting Standards Codification (ASC) 450, *Contingencies*), and we have not consulted a lawyer concerning litigation, claims, or assessments.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
16. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.

17. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
18. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
19. All interfund and intra-entity transactions and balances have been properly classified and reported.
20. Deposit and investment risks have been properly and fully disclosed.
21. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
22. The possibility exists that the value of specific significant capital assets or certain identifiable intangibles may be impaired. We have reviewed capital assets, including certain identifiable intangibles for impairment, whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable, and have appropriately recorded the adjustment.
23. We believe that the actuarial assumptions and methods used to measure postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
24. All required supplementary information is measured and presented within the prescribed guidelines.
25. With respect to the required and other supplementary information accompanying the financial statements:
  - a. We acknowledge our responsibility for the presentation of the required and other supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - b. We believe the required and other supplementary information, including form and content, are measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
  - c. The methods of measurement and presentation have not changed from those used in the prior year.
26. With regard to investments and other instruments reported at fair value:
  - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.

- c. The disclosures related to fair value are complete, adequate, and in accordance with accounting principles generally accepted in the United States of America.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
27. With respect to the preparation of financial statements, calculation of depreciation, and calculation of postemployment benefit related amounts performed by you, we have performed the following:
- a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;
  - c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the results of the services performed; and
  - e. Established and maintained internal controls, including a process to monitor the system of internal control.
28. There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

#### **Information Provided**

29. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
30. All transactions have been recorded in the accounting records and are reflected in the financial statements.
31. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
32. We have provided to you our evaluation of the District's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
33. We have no knowledge of any fraud or suspected fraud affecting the District involving management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.

34. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, vendors, regulators, or others.
35. We have disclosed to you the identity of all the District's related parties and the nature of all the related party relationships and transactions of which we are aware.
36. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, accounting, internal control, or financial reporting practices.
37. The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
38. We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.
39. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentration refers to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
40. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
41. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
42. North County Recreation District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
43. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

  
Justin Smith, Executive Director

12-30-25  
Date

January 15, 2026

Office of the Secretary of State  
Audits Division  
255 Capitol Street NE, Suite 180  
Salem, Oregon 97310

**Plan of Action for North County Recreation District**

North County Recreation District respectfully submits the following corrective action plan in response to deficiencies reported in our audit of the fiscal year ended June 30, 2025. The audit was completed by the independent auditing firm, Koontz, Blasquez & Associates, P.C., Albany, Oregon, who reported the deficiencies listed below. The plan of action was adopted by the governing body of the District at their meeting on January 15, 2026, as indicated by the signatures below.

The deficiencies are listed below, including the adopted plan of action and timeframe for each.

**1. Significant Deficiency: Segregation of Duties**

- a. Description:** Due to the limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

**Recommendation:** The auditor recommended that the board and management remain diligent in monitoring the financial activities of the District.

- b. Plan of action:** The District will continue to monitor monthly financials and provide to Board for approval on a monthly basis.
- c. Timeframe for, or date of, implementation:** Immediately continue process.

**2. Significant Deficiency: Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principles (GAAP)**

- a. **Description:** Auditing standards require the auditor to assess the internal control system of the District. In addition, the standards require the auditor to extend this assessment of controls over financial statement preparation. Proper controls over financial statement preparation require adequate knowledge and involvement to detect errors and omissions in the financial statements. The District relies on the auditor to assist in drafting the financial statements. In addition, the auditor verifies that the financial statements, including note disclosures, contain all of the elements required to comply with accounting principles generally accepted in the United States of America. The auditor believes that the District has staff with the ability to understand, review, and take responsibility for the financial statements required to comply with independence standards; however, the auditor's assistance in drafting the financial statements described above does produce a significant deficiency in the District's internal control system.

**Recommendation:** The auditor does not recommend any change in the preparation of the financial statements, but that the board should be aware of this deficiency and stress the importance of thorough review of the financial statements prior to approval of the audit.

- b. **Plan of action:** North County Recreation District considers the cost of staffing the financial expertise to correct this deficiency to outweigh the benefit, and has determined that it is more beneficial to continue to outsource these matters to external experts.
- c. **Timeframe for, or date of, implementation:** Immediately continue process.

**3. Significant Deficiency: Compliance with Oregon Budget Law**

- a. **Description:** During the audit, the auditor noted that the District expended funds in excess of the amounts appropriated, which is in violation of ORS 294.100.

**Recommendation:** The auditor recommended that the District: review and ensure compliance with Oregon Budget Law, remain diligent in monitoring the budget and actual amounts, and prepare supplemental budgets or appropriation transfers as necessary to avoid over-expenditures.

- b. **Plan of action:** Increased awareness and monitoring of the reconciliation process, as well as implementing appropriation transfers or supplemental budgets, will rectify any issues.
- c. **Timeframe for, or date of, implementation:** Immediate

Signed by:

\_\_\_\_\_  
Justin Smith, Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Michael Howes, Board Chair

\_\_\_\_\_  
Date



**NORTH COUNTY RECREATION  
DISTRICT  
Nehalem, Oregon**

**ANNUAL FINANCIAL REPORT**

June 30, 2025



**NORTH COUNTY RECREATION DISTRICT  
Nehalem, Oregon**

**DISTRICT OFFICIALS**

June 30, 2025

**BOARD OF DIRECTORS**

Michael Howes, Chair  
Nehalem, Oregon 97131  
Term Ends June 30, 2027

Mary Gallagher, Vice Chair  
Nehalem, Oregon 97131  
Term Ends: June 30, 2027

Erin Laskey-Wilson, Secretary  
Nehalem, Oregon 97131  
Term Ends June 30, 2027

Doug Sparks  
Nehalem, Oregon 97131  
Term Ends June 30, 2025

Frankie Knight, III  
Nehalem, Oregon 97131  
Term Ends June 30, 2025

**EXECUTIVE DIRECTOR**

Justin Smith  
P.O. Box 207  
Nehalem, Oregon 97131

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

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June 30, 2025

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## FINANCIAL SECTION

# KOONTZ, BLASQUEZ

ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
North County Recreation District  
Nehalem, Oregon 97131

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and each major fund of North County Recreation District, Nehalem, Oregon as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of North County Recreation District as of June 30, 2025, and the respective changes in financial position thereof 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). 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 North County Recreation District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

North County Recreation District's 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 North County Recreation 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.

920 Elm Street SW • P.O. Box 605 • Albany, Oregon 97321  
(541) 926-5543 • (541) 967-9460 fax

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, 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 North County Recreation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about 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 and budgetary comparison information on pages 4 through 9 and 33, respectively, 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 management's discussion and analysis in accordance with GAAS, 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 management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison 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 GAAS. In our opinion, the information is 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 North County Recreation District's basic financial statements. The individual fund schedules, taxable property values schedule, major taxpayers schedule, long-term debt schedules, outstanding long-term borrowings schedule, taxable property values schedule, and schedule of property tax transactions are presented for purposes of additional analysis and are not a required part of the basic financial statements.

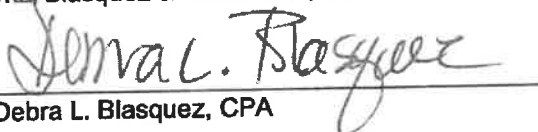
The individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The taxable property values schedule, major taxpayers schedule, long-term debt schedules, outstanding long-term borrowings schedule, taxable property values schedule, and schedule of property tax transactions have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 30, 2025, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Koontz, Blasquez & Associates, P.C.

By:   
Debra L. Blasquez, CPA

Albany, Oregon  
December 30, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**INTRODUCTION**

As management of North County Recreation District, Nehalem, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- At June 30, 2025, total net position of North County Recreation District amounted to \$11,427,285. Of this amount, \$8,959,808, was invested in capital assets, net of related debt. The remaining balance included \$1,151,848 restricted for capital acquisitions and \$1,315,629 of unrestricted net position.
- The District's total net position increased by \$2,838,317 during the current fiscal year.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to North County Recreation District's basic financial statements. The District's 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 supplementary 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 presents information on all of the District's assets and liabilities with the difference between the two 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.

The statement of activities presents information showing how the District's net position changed during the most recent 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 10 through 11 of this report.

**Fund Financial Statements**

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of North County Recreation District are governmental funds.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

□ **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported 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 available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing 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, readers may better understand the long-term impact of the District's near-term financing 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.

The District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General and Aquatic Center Project Funds, which are considered major governmental funds, and the Capital Asset Reserve fund which is considered non-major.

North County Recreation District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 16 through 32 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes budgetary comparison information for the General Fund. This required supplementary information can be found on page 33 of this report.

The individual fund schedules are presented immediately following the required supplementary information on pages 34 through 35 of this report.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2025, the District's assets exceeded liabilities by \$11,427,285.

A large portion of the District's net position (78.4%) reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**District's Net Position**

The District's net position increased by \$2,838,317 during the current fiscal year.

Condensed statement of net position information is shown below.

**Condensed Statement of Net Position**

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current assets	\$ 2,142,161	\$ 1,253,546
Non-current assets	5,000	-
Restricted assets	1,151,848	4,397,744
Capital assets, net	18,031,611	10,926,193
Total assets	21,330,620	16,577,483
<b>Liabilities</b>		
Current liabilities	526,470	222,582
Noncurrent liabilities	9,376,865	7,765,933
Total liabilities	9,903,335	7,988,515
<b>Net position</b>		
Net investment in capital assets	8,959,808	3,683,959
Restricted	1,151,848	4,397,744
Unrestricted	1,315,629	507,265
Total net position	\$ 11,427,285	\$ 8,588,968

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**District's Changes in Net Position**

The condensed statement of activities information shown below explains changes in net position.

**Condensed Statement of Activities**

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>2024</b>
<b>Program revenues</b>		
Charges for services	\$ 239,277	\$ 228,321
Operating grants and contributions	16,566	30,126
Capital grants and contributions	<u>2,527,546</u>	<u>720,737</u>
Total program revenues	<u>2,783,389</u>	<u>979,184</u>
<b>General revenues</b>		
Property taxes	1,467,518	1,413,881
Timber revenue	358,462	269,366
Unrestricted grants and contributions	27,569	18,410
Investment earnings	157,066	425,359
Amortization of bond premiums	32,863	32,862
Miscellaneous	<u>76,216</u>	<u>83,903</u>
Total general revenues	<u>2,119,694</u>	<u>2,243,781</u>
Total revenues	<u>4,903,083</u>	<u>3,222,965</u>
<b>Program expenses</b>		
Recreational facilities and activities	1,788,865	1,461,882
Interest on long-term debt	<u>275,901</u>	<u>237,809</u>
Total program expenses	<u>2,064,766</u>	<u>1,699,691</u>
Change in net position	2,838,317	1,523,274
Net position - beginning of year	<u>8,588,968</u>	<u>7,065,694</u>
Net position - end of year	<u>\$ 11,427,285</u>	<u>\$ 8,588,968</u>

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's major governmental funds reported combined fund balances of \$2,812,964, a decrease of \$2,784,942 from the prior year. This amount included \$38,315 of non-spendable fund balance related to prepaid expenses, and \$1,151,848 restricted for capital acquisitions. The remaining \$1,315,629 constitutes unassigned fund balance available for spending at the District's discretion.

Significant Changes in Major Governmental Fund Balances

- General Fund: The 38% increase in unassigned fund balance can be attributed to a decrease in General Fund expenditures.
- Aquatic Center Project Fund: The 92% decrease in fund balance can be attributed to pool construction.

**BUDGETARY HIGHLIGHTS: GENERAL FUND**

Significant variances between budgeted and actual amounts in the General Fund for the year ended June 30, 2025, include:

- Grants and contributions were budgeted for \$73,450. Actual revenues were \$921,350 (1154.4% over budget) due to receiving unbudgeted grants and contributions.
- Investment earnings were budgeted for \$30,000. Actual revenues were \$149,497 (398.3% over budget) due to unexpected significant rate increases in the LGIP account.
- Expenditures in the aquatics department was budgeted for \$586,075. Actual expenditure was \$324,947 (44.6% under budget) due to additional budgeted expenditures being unnecessary in the current fiscal year.
- Expenditures in the performing arts department were budgeted for \$98,350. Actual expenditure was \$68,634 (30.2% under budget) due to additional budgeted expenditures being unnecessary in the current fiscal year.

**NORTH COUNTY RECREATION DISTRICT  
Nehalem, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2025, amounted to \$18,031,611, net of accumulated depreciation and amortization. This investment in capital assets includes land, construction in progress, buildings and facility improvements, office equipment and furnishings, machinery and equipment, infrastructure, and intangible right to use lease assets for a copier. The total depreciation and amortization expense related to the District's investment in capital assets for the current fiscal year amounted to \$150,088.

Additional information on the District's capital assets can be found in Note III-B on pages 26 through 27 of this report.

**Long-Term Liabilities**

At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$9,750,663, including bond premiums of \$678,860. This amount is comprised of a lease payable and bonds payable. The District's total long-term liabilities outstanding increased by \$1,802,137 during the current fiscal year.

Additional information on the District's long-term liabilities can be found in Note III-E on pages 28 through 29 of this report.

**KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE**

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could affect its future financial health:

- The District is in the process of constructing a new pool. The project will be partially funded by the Aquatic Center Project Fund and is expected to cost \$16.5 million.

This factor was considered in preparing the District's budget for the 2025-2026 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: North County Recreation District, P.O. Box 207, Nehalem, Oregon 97131.

## **BASIC FINANCIAL STATEMENTS**

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**STATEMENT OF NET POSITION**

June 30, 2025

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 2,045,246
Property taxes receivable	58,600
Prepaid insurance	38,315
Total current assets	<u>2,142,161</u>
Non-current assets	
Note receivable	<u>5,000</u>
Restricted assets	
Cash and cash equivalents	<u>1,151,848</u>
Capital assets	
Land and construction in progress	16,077,542
Capital assets, net of accumulated depreciation	1,937,503
Intangibles - right to use lease assets, net of accumulated amortization	18,566
Total capital assets	<u>18,031,611</u>
Total assets	<u>21,330,620</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	60,339
Accrued liabilities	51,445
Compensated absences, current portion	20,228
Lease payable, current portion	5,596
Bonds payable, current portion	356,000
Bond premiums, current portion	32,862
Total current liabilities	<u>526,470</u>
Noncurrent liabilities	
Compensated absences, less current portion	7,107
Lease payable, less current portion	11,207
Bonds payable, less current portion	8,699,000
Bond premiums, less current portion	645,998
Accrued interest	13,553
Total noncurrent liabilities	<u>9,376,865</u>
Total liabilities	<u>9,903,335</u>
<b>NET POSITION</b>	
Net investment in capital assets	8,959,808
Restricted	1,151,848
Unrestricted	1,315,629
Total net position	<u>\$ 11,427,285</u>

The accompanying notes are an integral part of these financial statements.



**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2025

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense)</b>
		<b>Charges for</b>	<b>Operating</b>	<b>Capital</b>	<b>Revenue and</b>
		<b>Services</b>	<b>Grants and</b>	<b>Grants and</b>	<b>Changes in</b>
			<b>Contributions</b>	<b>Contributions</b>	<b>Net Position</b>
					<b>Governmental</b>
					<b>Activities</b>
<b>Governmental activities</b>					
Recreational facilities and activities	\$ 1,788,865	\$ 239,277	\$ 16,566	\$ 2,527,546	\$ 994,524
Interest on long-term debt	275,901	-	-	-	(275,901)
<b>Total governmental activities</b>	<b>\$ 2,064,766</b>	<b>\$ 239,277</b>	<b>\$ 16,566</b>	<b>\$ 2,527,546</b>	<b>718,623</b>
<b>General revenues</b>					
Property taxes					1,467,518
Timber revenue					358,462
Unrestricted grants and contributions					27,569
Investment earnings					157,066
Amortization of bond premiums					32,863
Miscellaneous					76,216
<b>Total general revenues</b>					<b>2,119,694</b>
<b>Change in net position</b>					<b>2,838,317</b>
<b>Net position - beginning</b>					<b>8,588,968</b>
<b>Net position - ending</b>					<b>\$ 11,427,285</b>

The accompanying notes are an integral part of these financial statements.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

June 30, 2025

	General Fund	Capital Projects Fund Aquatic Center Project	Nonmajor Governmental Fund Capital Asset Reserve Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,531,786	\$ 349,647	\$ 315,661	\$ 3,197,094
Property taxes receivable	58,600	-	-	58,600
Prepaid expenses	38,315	-	-	38,315
Notes receivable	5,000	-	-	5,000
<b>Total assets</b>	<u>\$ 2,633,701</u>	<u>\$ 349,647</u>	<u>\$ 315,661</u>	<u>\$ 3,299,009</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 60,339	\$ -	\$ -	\$ 60,339
Accrued liabilities	51,445	-	-	51,445
<b>Total liabilities</b>	<u>111,784</u>	<u>-</u>	<u>-</u>	<u>111,784</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	58,600	-	-	58,600
<b>Fund balances (deficit)</b>				
Nonspendable	38,315	-	-	38,315
Restricted	802,201	349,647	-	1,151,848
Assigned	-	-	315,661	315,661
Unassigned	1,622,801	-	-	1,622,801
<b>Total fund balances (deficit)</b>	<u>2,463,317</u>	<u>349,647</u>	<u>315,661</u>	<u>3,128,625</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 2,633,701</u>	<u>\$ 349,647</u>	<u>\$ 315,661</u>	<u>\$ 3,299,009</u>

The accompanying notes are an integral part of these financial statements.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES**

June 30, 2025

<b>Total fund balances</b>			<b>\$ 3,128,625</b>
Capital assets are not financial resources and are therefore not reported in the governmental funds:			
Cost of non-depreciable capital assets	19,840,229		
Accumulated depreciation	(1,825,184)		
Cost of intangible right to use lease assets	28,007		
Accumulated amortization	<u>(11,441)</u>	18,031,611	
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 15 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.			
		58,600	
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather, is recognized as an expenditure when due. These liabilities consist of:			
Compensated absences payable	(27,335)		
Lease payable	(16,803)		
Bonds payable	(9,055,000)		
Bond premiums	(678,860)		
Accrued interest	<u>(13,553)</u>	<u>(9,791,551)</u>	
<b>Net position of governmental activities</b>			<b><u>\$ 11,427,285</u></b>

The accompanying notes are an integral part of these financial statements.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2025

	General Fund	Capital Projects Funds Capital Asset Reserve	Aquatic Center Project
<b>REVENUES</b>			
Property taxes	\$ 1,460,848	\$ -	\$ -
Timber revenue	-	-	-
Charges for services	239,277	-	-
Grants and contributions	921,350	-	1,650,331
Investment earnings	149,497	-	7,322
Miscellaneous	76,216	-	-
Total revenues	<u>2,847,188</u>	<u>-</u>	<u>1,657,653</u>
<b>EXPENDITURES</b>			
Current			
Activities	18,762	-	-
Administration	786,608	-	-
Aquatics	324,947	-	-
Fitness	229,098	-	-
Performing arts	68,634	-	-
Youth	158,184	-	-
Debt service	-	-	436,938
Capital outlay	-	-	7,266,612
Total expenditures	<u>1,586,233</u>	<u>-</u>	<u>7,703,550</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,260,955</u>	<u>-</u>	<u>(6,045,897)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond Proceeds	-	-	2,000,000
Net change in fund balances	1,260,955	-	(4,045,897)
Fund balances - beginning, as previously presented	<u>1,202,362</u>	<u>(1,668)</u>	<u>4,395,544</u>
Change within the financial reporting entity (major to nonmajor fund)	-	1,668	-
Fund balances - as adjusted	<u>1,202,362</u>	<u>-</u>	<u>4,395,544</u>
Fund balances - ending	<u>\$ 2,463,317</u>	<u>\$ -</u>	<u>\$ 349,647</u>

Nonmajor Governmental Fund	Total Governmental Funds
Capital Asset Reserve Fund	
\$ -	\$ 1,460,848
358,462	358,462
-	239,277
-	2,571,681
247	157,066
-	76,216
<u>358,709</u>	<u>4,863,550</u>
-	18,762
-	786,608
-	324,947
-	229,098
-	68,634
-	158,184
-	436,938
<u>41,380</u>	<u>7,307,992</u>
<u>41,380</u>	<u>9,331,163</u>
<u>317,329</u>	<u>(4,467,613)</u>
-	2,000,000
317,329	(2,467,613)
-	5,596,238
<u>(1,668)</u>	<u>-</u>
<u>(1,668)</u>	<u>5,596,238</u>
\$ 315,661	\$ 3,128,625

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2025

**Net change in fund balances** **\$ (2,467,613)**

Amounts reported for governmental activities on the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, on the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	7,255,506	
Less current year depreciation	<u>(144,487)</u>	7,111,019

Governmental funds report the costs of right to use lease assets as expenditures; however, on the statement of activities, the costs of these assets are allocated over the terms of the leases and reported as amortization expense.

Current year amortization		(5,601)
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Long-term liabilities are not due or payable in the current period and are therefore not reported in the governmental fund statements. These liabilities consist of:

Compensated absences payable		(5,489)
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Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations.

6,670

Long-term debt proceeds are reported as other financing sources in the governmental funds. On the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability on the statement of net position.

Lease liability payments	5,431	
Accrued interest payable	(3,963)	
Bond proceeds	(2,000,000)	
Bonds payable	165,000	
Bond premiums	<u>32,863</u>	<u>(1,800,669)</u>

**Change in net position** **\$ 2,838,317**

The accompanying notes are an integral part of these financial statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of North County Recreation District have been prepared in accordance 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 principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

North County Recreation District became operational in 1997 following voter approval of a proposal to maintain and enhance a community center, fitness center, and a pool. The District is currently governed by a five-member board of directors elected from the District at large.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Individual governmental funds are reported as separate columns in the fund financial statements.

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

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 revenues to be available if they are collected within 15 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting; however, principal and interest on long-term debt, as well as expenditures related to compensated absences, are recorded only when payment is due.



**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Property taxes, investment earnings, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have therefore been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports on the following major governmental funds:

**General Fund** – The General Fund is the District's primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in another fund. The primary source of revenue is property taxes.

**Capital Projects Funds**

**Aquatic Center Project Fund** – The Aquatic Center Project Fund accounts for the revenues and expenditures associated with the purchase and construction of the new aquatic center site and facilities. The primary sources of revenue are property taxes and investment earnings.

The District reports on the following nonmajor governmental funds:

**Capital Projects Funds**

**Capital Asset Reserve Fund** – The Capital Asset Reserve Fund accounts for the revenues and expenditures associated with the purchase, construction, and major repair of capital assets. The primary sources of revenue are timber revenue, grants and contributions, and investment earnings.

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

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

**NORTH COUNTY RECREATION DISTRICT  
Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

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

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position, and Fund Balance (Continued)**

**1. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

**1. Property Taxes**

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the associated property. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 15 days of fiscal year end are recognized as revenue, while the remaining amount of taxes receivable are recorded as unavailable revenue because they are not deemed available to finance operations of the current period.

**2. Timber Revenue**

State and federal law provide timber revenue payments in lieu of taxes. County governments are responsible for distributing the revenue to the District. Timber revenue is recognized when received by the District.

**3. Prepaids**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements.

**NORTH COUNTY RECREATION DISTRICT  
Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

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

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position, and Fund Balance (Continued)**

**4. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Office equipment and furnishings	3-15
Machinery and equipment	3-15
Infrastructure	3-15
Buildings and facility improvements	30-40

The District has recorded right to use lease assets in accordance with GASB Statement No. 87, *Leases*. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases, which are discussed in Note III-E.

**5. Compensated Absences**

Amounts of vested or accumulated vacation and sick leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation and five percent of sick leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities on the statement of net position.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

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

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position, and Fund Balance (Continued)**

**6. Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as materials and services expenditures.

**7. Retirement Plans**

The District has authorized a deferred compensation plan to be made available to its employees wherein they may execute an individual agreement with the District for amounts earned by them, not to be paid until a future date, when they are terminated by reason of death, permanent disability, retirement, or separation. The deferred compensation plan is authorized under Internal Revenue Code (IRC) Section 457 and has been approved by the Internal Revenue Service. Under the plan document, the District has a fiduciary responsibility to administer the plan in accordance with the requirements of IRC Section 457.

In addition, the District provides an implicit rate subsidy for retiree health insurance premiums. The single-employer, defined benefit postemployment healthcare plan is administered by Special Districts Insurance Services (SDIS).

**8. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and therefore, will not be recognized as an outflow of resources until that time.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and therefore, will not be recognized as an inflow of resources until that time. The District has one item that qualifies for reporting in this category, which is unavailable revenue from property taxes. Unavailable revenue from property taxes is deferred and recognized as an inflow of resources in the period that the amounts become available. Unavailable revenue from property taxes is reported on the balance sheet.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

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

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position, and Fund Balance (Continued)**

**10. Fund Balance**

The District reports on fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are in non-spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Commitment of fund balance is accomplished through adoption of a resolution or ordinance by the board of directors. Further, commitments of fund balance may be modified or rescinded only through approval of the board of directors via resolution or ordinance. Authority to assign fund balances has been granted to the Executive Director.

The District has not formally adopted a minimum fund balance policy.

**E. Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general and capital projects funds. All funds are budgeted on the modified accrual basis of accounting.

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The General Fund consists of activities, administration, aquatics, fitness, performing arts, and youth departments, as well as non-departmental expenditures. For the Capital Asset Reserve and Aquatic Center Project Funds, total personnel services, materials and services, debt service, and capital outlay are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line-item budgets within appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the board of directors at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The District does not use encumbrances and appropriations lapses at year end.

Budget amounts shown in the financial statements reflect the original budget amounts.

**B. Over Expenditure**

During the year ended June 30, 2025, the District expended funds in excess of the appropriated amount because of an error in the budget resolution, which is a violation of ORS 294.100.

<u>Fund</u>	<u>Function</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Capital Projects	Capital outlay	\$ 35,000	\$ 41,380	\$ 6,380

**NORTH COUNTY RECREATION DISTRICT  
Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Deposits and Investments**

North County Recreation District maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

The Oregon State Treasury administers the LGIP. The LGIP is an open-ended, no-load, diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

**Credit Risk**

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The District has not adopted a formal policy regarding credit risk; however, investments comply with state statutes.

**Investments**

As of June 30, 2025, the District had the following investments:

	<u>Credit Quality Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Oregon Local Government Investment Pool	Unrated	-	\$ 2,984,901

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**A. Deposits and Investments (Continued)**

Interest Rate Risk

The District does not have a formal policy that limits investment maturity as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the District's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the District's deposits may not be returned. All District deposits not covered by Federal Depositary Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds accounts at 1st Security Bank, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and an additional \$250,000 for time and savings accounts. At June 30, 2025, the District's total deposits of \$271,405 were fully insured by the FDIC and PFCP.



**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**A. Deposits and Investments (Continued)**

Deposits

The District's deposits and investments at June 30, 2025, are as follows:

Cash on hand	\$ 351
Checking accounts	211,842
Total investments	<u>2,984,901</u>
Total deposits and investments	<u>\$ 3,197,094</u>

**Cash and investments by fund:**

Governmental activities - unrestricted	
General Fund	\$ 1,729,585
Capital Asset Reserve Fund	<u>315,661</u>
Total governmental activities - unrestricted	<u>2,045,246</u>
Governmental activities - restricted	
General Fund	802,201
Aquatic Center Project Fund	<u>349,647</u>
Total governmental activities - restricted	<u>1,151,848</u>
Total cash and investments	<u>\$ 3,197,094</u>

Restricted cash of \$802,201 reported in the General Fund at June 30, 2025, represents monies restricted for capital outlay. Restricted cash of \$349,647 reported in the Aquatic Center Project Fund at June 30, 2025, represents monies restricted for capital outlay.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**B. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 614,636	\$ -	\$ -	\$ 614,636
Construction in progress	8,220,191	7,242,715	-	15,462,906
<b>Total capital assets not being depreciated</b>	<b>8,834,827</b>	<b>7,242,715</b>	<b>-</b>	<b>16,077,542</b>
Capital assets being depreciated				
Buildings and facility improvements	3,302,935	-	-	3,302,935
Office equipment and furnishings	30,035	-	-	30,035
Machinery and equipment	218,909	12,791	-	231,700
Infrastructure	198,017	-	-	198,017
<b>Total capital assets being depreciated</b>	<b>3,749,896</b>	<b>12,791</b>	<b>-</b>	<b>3,762,687</b>
Less accumulated depreciation for				
Buildings and facility improvements	(1,428,832)	(121,741)	-	(1,550,573)
Office equipment and furnishings	(23,798)	(2,739)	-	(26,537)
Machinery and equipment	(160,577)	(6,934)	-	(167,511)
Infrastructure	(67,490)	(13,073)	-	(80,563)
<b>Total accumulated depreciation</b>	<b>(1,680,697)</b>	<b>(144,487)</b>	<b>-</b>	<b>(1,825,184)</b>
<b>Total capital assets being depreciated, net</b>	<b>2,069,199</b>	<b>(131,696)</b>	<b>-</b>	<b>1,937,503</b>
Capital assets being amortized				
Intangibles - right to use lease assets				
Copier 2023	28,007	-	-	28,007
Less accumulated depreciation for				
Intangibles - right to use lease assets				
Copier 2023	(5,840)	(5,601)	-	(11,441)
<b>Total capital assets being amortized, net</b>	<b>22,167</b>	<b>(5,601)</b>	<b>-</b>	<b>16,566</b>
<b>Governmental activities capital assets, net</b>	<b>\$10,926,193</b>	<b>\$7,105,418</b>	<b>\$ -</b>	<b>\$ 18,031,611</b>

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**B. Capital Assets (Continued)**

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation/ Amortization	Net Capital Assets
Governmental activities			
Land	\$ 614,636	\$ -	\$ 614,636
Construction in progress	15,462,906	-	15,462,906
Buildings and facility improvements	3,302,935	(1,550,573)	1,752,362
Office equipment and furnishings	30,035	(26,537)	3,498
Machinery and equipment	231,700	(167,511)	64,189
Infrastructure	198,017	(80,563)	117,454
Intangibles - right to use lease assets			
Copier 2023	28,007	(11,441)	16,566
Total governmental capital assets	<u>\$ 19,868,236</u>	<u>\$ (1,836,625)</u>	<u>\$ 18,031,611</u>

Depreciation expense was charged to the functions/programs of the District as follows:

Governmental activities	
Depreciation expense	
Recreational facilities and activities	\$ 144,487
Amortization expense	
Recreational facilities and activities	5,601
Total	<u>\$ 150,088</u>

**C. Compensated Absences**

The following is a summary of compensated absences transactions for the year:

	Beginning Balance	Net Change	Ending Balance	Due Within One Year
Compensated absences	<u>\$ 21,846</u>	<u>\$ 5,489</u>	<u>\$ 27,335</u>	<u>\$ 20,228</u>

The General Fund has traditionally been used to liquidate compensated absences liabilities.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**D. Long-Term Liabilities**

**1. Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities transactions for the year:

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
Lease payable							
Copier 2023	3%	\$ 28,007	\$ 22,234	\$ -	\$ 5,431	\$ 16,803	\$ 5,596
Bonds							
Aquatic Center GO Bonds 2021	3%	4,355,000	4,245,000	-	60,000	4,185,000	70,000
Aquatic Center Full Faith Bonds 2021	3%	3,250,000	2,975,000	-	105,000	2,870,000	105,000
Full Faith Bonds 2025	5.07%	2,000,000	-	2,000,000	-	2,000,000	181,000
		9,605,000	7,220,000	2,000,000	165,000	9,055,000	356,000
Bond premiums	N/A	810,311	711,723	-	32,863	678,860	32,862
Total bonds, including premiums		10,415,311	7,931,723	2,000,000	197,863	9,733,860	388,862
Total long-term liabilities		\$ 10,443,318	\$ 7,953,957	\$ 2,000,000	\$ 203,294	\$ 9,750,663	\$ 394,458

**2. Governmental Activity Lease Payable**

The District has entered into an agreement to lease certain equipment. The lease agreement qualifies as an other-than short-term lease under GASB Statement No. 87, *Leases*, and therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

**a. Copier 2023 Lease**

On June 15, 2023, the District entered into a contract to lease a copier for a period of 60 months, ending on May 15, 2028. The lease calls for payments of \$502 per month. Variable payments consist of \$0.011 per copy over 3,000 black and white images and \$0.06 per copy over 2,100 color images. The lease liability was measured at an implied discount rate of 3%. The District has recorded a right to use lease assets with a net book value of \$22,167 on June 30, 2025. The right to use lease assets is discussed in more detail in Note III-B.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**E. Long-Term Liabilities (Continued)**

**3. Governmental Activity Aquatic Center Series 2021 General Obligation Bonds**

On April 7, 2021, the District issued general obligation bonds in the amount of \$4,355,000 to fund the new aquatic center project. Interest is fixed at 3% and payable semiannually on December 15 and June 15. Principal payments are due annually on June 15.

**4. Governmental Activity Aquatic Center Series 2021 Full Faith Bonds**

On April 7, 2021, the District issued full faith and credit obligations in the amount of \$3,250,000 to fund the new aquatic center project. Interest is fixed at 3% and payable semiannually on December 15 and June 15. Principal payments are due annually on June 15.

**5. Governmental Activity Aquatic Center Series 2025 Full Faith Bonds**

On January 17, 2025, the District issued full faith and credit obligations in the amount of \$2,000,000 to fund the new aquatic center project. Interest is fixed at 5.07% and payable semiannually on December 15 and June 15. Principal payments are due annually on June 15.

**6. Governmental Activity Future Maturities on Long-Term Liabilities**

Year Ending June 30	Lease Payable		Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 5,596	\$ 428	\$ 356,000	\$ 329,800	\$ 361,596	\$ 330,228
2027	5,767	257	380,000	315,373	385,767	315,630
2028	5,440	82	405,000	300,040	410,440	300,122
2029	-	-	420,000	283,750	420,000	283,750
2030	-	-	450,000	266,803	450,000	266,803
2031-2035	-	-	2,379,000	1,042,343	2,379,000	1,042,343
2036-2040	-	-	1,845,000	678,650	1,845,000	678,650
2041-2045	-	-	2,435,000	351,550	2,435,000	351,550
2046	-	-	385,000	15,400	385,000	15,400
	<u>\$ 16,803</u>	<u>\$ 767</u>	<u>\$ 9,055,000</u>	<u>\$ 3,583,710</u>	<u>\$ 9,071,803</u>	<u>\$ 3,584,477</u>

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**F. Constraints on Fund Balances**

Constraints on fund balances reported on the balance sheet are as follows:

	General Fund	Capital Asset Reserve Fund	Aquatic Center Project Fund	Total Governmental Funds
Fund balances:				
Nonspendable - prepaids	\$ 38,315	\$ -	\$ -	\$ 38,315
Restricted for:				
Capital acquisitions	802,201	-	349,647	1,151,848
Unassigned	<u>1,622,801</u>	<u>-</u>	<u>-</u>	<u>1,622,801</u>
Total fund balances	<u>\$ 2,463,317</u>	<u>\$ -</u>	<u>\$ 349,647</u>	<u>\$ 2,812,964</u>

**IV. OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

**B. Deferred Compensation Plan**

The District has authorized a deferred compensation plan to be made available to its employees wherein they may execute an individual agreement with the District for amounts earned by them, not to be paid until a future date, when they are terminated by reason of death, permanent disability, retirement, or separation. The deferred compensation plan is authorized under Internal Revenue Code (IRC) Section 457 and has been approved by the Internal Revenue Service. Under the plan document, the District has a fiduciary responsibility to administer the plan in accordance with the requirements of IRC Section 457. The District has no liability for any losses that may be incurred under the plan. District contributions for the year ended June 30, 2025, amounted to \$16,928.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2025

**IV. OTHER INFORMATION (Continued)**

**C. Other Postemployment Benefits**

The effect of applying the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, is considered immaterial to the District's financial statements for the year ended June 30, 2025, and has therefore not been recorded.

**D. Tax Abatements**

The District did not have tax abatements for the year ended June 30, 2025.

**E. Related Party**

Friends of NCRD raises money to support the District. The money is given to the District once the donation requirements are met. A board member of the District has signature authority for one of the Friends of NCRD's investment accounts. The District received approximately \$1,085,508 from Friends of NCRD during the year ended June 30, 2025.

**F. Changes within the Financial Reporting Entity**

During the year ended June 30, 2025 the Capital Asset Reserve fund was reclassified from major to nonmajor due significant decreases in the fund's activities.

<u>Reporting Units Affected by Adjustments of Beginning Balances</u>		
	<u>Capital Asset Reserve</u>	<u>Nonmajor Governmental Fund</u>
Fund balance - beginning, as previously presented	\$ 315,661	\$ -
Change from major fund to nonmajor fund	<u>(315,661)</u>	<u>315,661</u>
Fund balance - beginning, as adjusted	<u>\$ -</u>	<u>\$ 315,661</u>

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

**G. New Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that have future effective dates that will impact future financial presentations. Management has not currently determined what impact implementation of the following statements will have on future financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the District beginning with its fiscal year ending June 30, 2026. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

**H. Subsequent Events**

Management has evaluated subsequent events through December 30, 2025, which was the date that the financial statements were available to be issued.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**

**GENERAL FUND**

For the Year Ended June 30, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
<b>REVENUES</b>			
Property taxes	\$ 1,211,768	\$ 249,080	\$ 1,460,848
Charges for services	246,050	(6,773)	239,277
Grants and contributions	73,450	847,900	921,350
Investment earnings	30,000	119,497	149,497
Miscellaneous	87,866	(11,650)	76,216
Total revenues	<u>1,649,134</u>	<u>1,198,054</u>	<u>2,847,188</u>
<b>EXPENDITURES</b>			
Current			
Activities	23,485	(4,723)	18,762
Administration	798,744	(12,136)	786,608
Aquatics	586,075	(261,128)	324,947
Fitness	254,001	(24,903)	229,098
Performing arts	98,350	(29,716)	68,634
Youth	185,761	(27,577)	158,184
Contingency	40,000	(40,000)	-
Total expenditures	<u>1,986,416</u>	<u>(400,183)</u>	<u>1,586,233</u>
Excess (deficiency) of revenues over (under) expenditures	(337,282)	1,598,237	1,260,955
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	-
Net change in fund balance	(337,282)	1,598,237	1,260,955
Fund balance - beginning	<u>819,014</u>	<u>383,348</u>	<u>1,202,362</u>
Fund balance - ending	<u>\$ 481,732</u>	<u>\$ 1,981,585</u>	<u>\$ 2,463,317</u>

**OTHER SUPPLEMENTARY INFORMATION**

**INDIVIDUAL FUND SCHEDULES**

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL**

**CAPITAL ASSET RESERVE FUND**

For the Year Ended June 30, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
<b>REVENUES</b>			
Timber revenue	\$ 238,000	\$ 120,462	\$ 358,462
Investment earnings	<u>-</u>	<u>247</u>	<u>247</u>
Total revenues	238,000	120,709	358,709
<b>EXPENDITURES</b>			
Capital outlay	<u>88,000</u>	<u>(46,620)</u>	<u>41,380</u>
Excess (deficiency) of revenues over (under) expenditures	150,000	167,329	317,329
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(300,000)</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	(150,000)	467,329	317,329
Fund balance - beginning	<u>160,436</u>	<u>(162,104)</u>	<u>(1,668)</u>
Fund balance (deficit) - ending	<u>\$ 10,436</u>	<u>\$ 305,225</u>	<u>\$ 315,661</u>

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL**

**AQUATIC CENTER PROJECT FUND**

For the Year Ended June 30, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
<b>REVENUES</b>			
Property taxes	\$ 204,100	\$ (204,100)	\$ -
Grants and contributions	3,064,571	(1,414,240)	1,650,331
Investment earnings	-	7,322	7,322
Total revenues	<u>3,268,671</u>	<u>(1,611,018)</u>	<u>1,657,653</u>
<b>EXPENDITURES</b>			
Debt service	398,400	38,538	436,938
Capital outlay	<u>8,501,500</u>	<u>(1,234,888)</u>	<u>7,266,612</u>
Total expenditures	<u>8,899,900</u>	<u>(1,196,350)</u>	<u>7,703,550</u>
Excess (deficiency) of revenues over (under) expenditures	(5,631,229)	(414,668)	(6,045,897)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	300,000	(300,000)	-
Bond Proceeds	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total other financing sources (uses)	<u>300,000</u>	<u>1,700,000</u>	<u>2,000,000</u>
Net change in fund balance	(5,331,229)	1,285,332	(4,045,897)
Fund balance - beginning	<u>5,331,229</u>	<u>(935,685)</u>	<u>4,395,544</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 349,647</u>	<u>\$ 349,647</u>

## OTHER FINANCIAL SCHEDULES

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**TAXABLE PROPERTY VALUES**

<b>Fiscal Year</b>	<b>Real Market Value</b>	<b>Total Assessed Valuation</b>	<b>Property Taxes Levied</b>	<b>Property Taxes Received</b>
2025	\$ 3,546,237,346	\$ 1,652,884,004	\$ 1,503,587	\$ 1,456,937
2023	3,429,915,732	1,581,114,264	1,445,214	1,398,946
2023	3,001,987,597	1,508,385,517	1,378,464	1,338,432
2022	2,247,584,135	1,437,606,051	1,330,100	1,295,085
2021	1,993,330,520	1,377,097,875	1,082,749	1,065,033

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**MAJOR TAXPAYERS**

For the Year Ended June 30, 2025

<b>Tillamook County</b>			
	<b>Tax Amount</b>	<b>Assessed Value</b>	<b>% of Total Assessed Value</b>
Tillamook County Creamery	\$ 1,184,552	\$ 125,585,089	1.92%
Tillamook PUD	1,122,484	103,945,841	1.59%
Stimson Lumber Company	1,003,259	87,993,079	1.34%
Charter Communications	316,715	28,226,240	0.43%
Store Capital Acquisitions	301,121	24,899,820	0.38%
Hampton Lumber Mills Co.	255,969	21,849,980	0.33%
Fred Meyer Stores, Inc.	236,919	20,220,640	0.31%
Pelican Brewing Company	201,154	16,931,850	0.26%
Lumen Technologies Inc	166,732	15,621,312	0.24%
Kiwanda Lodge, LLC	150,764	12,524,940	0.20%
Top ten taxpayers in the county	4,939,669	457,798,791	6.99%
Remaining county taxpayers	69,717,612	6,087,619,547	93.01%
Total county taxpayers	\$ 74,657,281	\$ 6,545,418,338	100.00%

Source: Tillamook County Department of Assessment and Taxation



**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**LONG-TERM DEBT SCHEDULE**

**GENERAL OBLIGATION BONDS, SERIES 2021**

<b>Due June 15 Year</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Base CUSIP 658822 <sup>(5)</sup></b>
2022	\$ 10,000	3.00%	AA9
2023	45,000	3.00%	AB7
2024	55,000	3.00%	AC5
2025	60,000	3.00%	AD3
2026	70,000	3.00%	AE1
2027	80,000	3.00%	AF8
2028	90,000	3.00%	AG6
2029	95,000	3.00%	AH4
2030	110,000	3.00%	AJ0
2031	120,000	3.00%	AK7
2035 <sup>(1)</sup>	600,000	3.00%	AL5
2038 <sup>(2)</sup>	600,000	3.00%	AP6
2041 <sup>(3)</sup>	745,000	3.00%	AM3
2046 <sup>(4)</sup>	1,675,000	4.00%	AN1

(1) Term obligation due June 15, 2035 subject to annual mandatory redemption commencing June 15, 2032.

(2) Term obligation due June 15, 2038 subject to annual mandatory redemption commencing June 15, 2036.

(3) Term obligation due June 15, 2041 subject to annual mandatory redemption commencing June 15, 2039.

(4) Term obligation due June 15, 2046 subject to annual mandatory redemption commencing June 15, 2042.

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**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**LONG-TERM DEBT SCHEDULE**

**FULL FAITH AND CREDIT OBLIGATIONS, SERIES 2021**

<b>Due June 15</b>	<b>Principal</b>	<b>Interest</b>	<b>Base CUSIP</b>
<b>Year</b>	<b>Amount</b>	<b>Rate</b>	<b>65882B <sup>(4)</sup></b>
2022	\$ 75,000	3.00%	AA9
2023	100,000	3.00%	AB7
2024	100,000	3.00%	AC5
2025	105,000	3.00%	AD3
2026	105,000	3.00%	AE1
2027	110,000	3.00%	AF8
2028	115,000	3.00%	AG6
2029	115,000	3.00%	AH4
2030	120,000	3.00%	AJ0
2031	125,000	3.00%	AK7
2036 <sup>(1)</sup>	680,000	3.00%	AL5
2041 <sup>(2)</sup>	785,000	3.00%	AM3
2045 <sup>(3)</sup>	715,000	3.00%	AN1

(1) Term obligation due June 15, 2036 subject to annual mandatory redemption commencing June 15, 2032.

(2) Term obligation due June 15, 2041 subject to annual mandatory redemption commencing June 15, 2037.

(3) Term obligation due June 15, 2045 subject to annual mandatory redemption commencing June 15, 2042.

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**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**LONG-TERM DEBT SCHEDULE**

**FULL FAITH AND CREDIT OBLIGATIONS, SERIES 2025**

<b>Due June 15</b>	<b>Principal</b>	<b>Interest</b>	<b>Base CUSIP</b>
<b>Year</b>	<b>Amount</b>	<b>Rate</b>	<b>65882B <sup>(4)</sup></b>
2026	\$ 181,000	5.07%	AA9
2027	190,000	5.07%	AB7
2028	200,000	5.07%	AC5
2029	210,000	5.07%	AD3
2030	220,000	5.07%	AE1
2031	231,000	5.07%	AF8
2032	243,000	5.07%	AG6
2033	256,000	5.07%	AH4
2034	269,000	5.07%	AJ0

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**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**OUTSTANDING LONG-TERM BORROWINGS**

For the Year Ended June 30, 2025

Issue	Issue Date	Final Maturity	Original Amount	Outstanding Amount
<b>General Obligation Bonds</b>				
Series 2021 (a)	4/7/2021	6/15/2046	\$ 4,355,000	\$ 4,185,000
<b>Subtotal General Obligation Bonds</b>				<u>\$ 4,185,000</u>
<b>Full Faith and Credit Obligations</b>				
Series 2021 (b)	4/7/2021	6/15/2045	\$ 3,250,000	\$ 2,870,000
<b>Subtotal Full Faith and Credit Obligations</b>				<u>\$ 2,870,000</u>
<b>Full Faith and Credit Obligations</b>				
Series 2025 (b)	1/17/2025	6/15/2034	\$ 2,000,000	\$ 2,000,000
<b>Subtotal Full Faith and Credit Obligations</b>				<u>\$ 2,000,000</u>
<b>Total Outstanding Long-Term Borrowings</b>				<u>\$ 9,055,000</u>

(a) Concurrently with the issuance of the obligations, the District expects to issue approximately \$4,355,000 in principal amount of general obligation bonds (the "bonds"). The bonds are also being issued to finance the project.

(b) The obligations

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**TAXABLE PROPERTY VALUES**

<b>Fiscal Year</b>	<b>M5 Real Market Values (a)</b>	<b>Total Assessed Valuation (b)</b>
2025	\$ 3,546,237,346	\$ 1,652,884,004
2024	3,429,915,732	1,581,114,264
2023	3,001,987,597	1,508,385,517
2022	2,247,584,135	1,437,606,051
2021	1,993,330,520	1,377,097,875
2020	1,970,822,740	1,330,536,016
2019	1,848,041,010	1,278,764,604
2018	1,747,212,508	1,226,551,723
2017	1,629,439,752	1,179,599,159
2016	1,582,661,015	1,137,551,620

(a) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.

(b) Assessed value of property in the District on which the permanent rate is applied to derive *ad valorem* property taxes, excluding urban renewal and any other offsets. The District has no urban renewal or other offsets.

**NORTH COUNTY RECREATION DISTRICT**  
**Nehalem, Oregon**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS**

For the Year Ended June 30, 2025

<u>Tax Year</u>	<u>Taxes Receivable July 1, 2024</u>	<u>2024-2025 Levy</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Taxes Receivable June 30, 2025</u>
2024-2025	\$ -	\$ 1,503,587	\$ (38,277)	\$ 1,430,673	\$ 34,637
2023-2024	30,871	-	(887)	16,842	13,142
2022-2023	11,391	-	(816)	5,169	5,406
2021-2022	5,381	-	-	2,925	2,456
2020-2021	1,623	-	-	1,145	478
2019-2020	364	-	-	73	291
2018-2019	256	-	-	41	215
Prior	2,044	-	-	69	1,975
Subtotal - Prior	51,930	-	(1,703)	26,264	23,963
Total	\$ 51,930	\$ 1,503,587	\$ (39,980)	1,456,937	\$ 58,600
Add:					
Other taxes and interest				3,911	
Undistributed taxes with county, July 1, 2024				-	
Total available				1,460,848	
Less: Turnovers to District				(1,460,848)	
Undistributed taxes with county, June 30, 2025				\$ -	

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY  
STATE REGULATIONS**

# KOONTZ, BLASQUEZ

ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors  
North County Recreation District  
Nehalem, Oregon 97131

We have audited the basic financial statements of North County Recreation District as of and for the year ended June 30, 2025, and have issued our report thereon dated December 30, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### Compliance

As part of obtaining reasonable assurance about whether North County Recreation 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 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

#### Accounting records

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)

Accountability for collecting and receiving money by elected officials

920 Elm Street SW • P.O. Box 605 • Albany, Oregon 97321  
(541) 926-5543 • (541) 967-9460 fax



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 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. During the year ended June 30, 2025, the District expended funds in excess of the amounts appropriated, which is in violation of ORS 294.100. The following appropriations were over expended for the fiscal year ended June 30, 2025.

<u>Fund</u>	<u>Function</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Capital Projects	Capital outlay	\$ 35,000	\$ 41,380	\$ 6,380

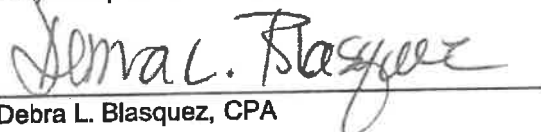
The District does not have any elected officials collecting or receiving money.

#### **OAR 162-010-0230 Internal Control**

In planning and performing our audit, we considered North County Recreation District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North County Recreation District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of North County Recreation District's internal control over financial reporting. However, we noted certain matters that we have reported to management of the District in a separate letter dated December 30, 2025.

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

Koontz, Blasquez & Associates, P.C.

By:   
Debra L. Blasquez, CPA

Albany, Oregon  
December 30, 2025



# North County Recreation District

## North County Recreation District

### FY 2024–2025 Financial Audit & Plan of Action

#### Board Meeting Summary Handout

##### Overview

This handout provides a consolidated summary of the District's **Annual Financial Audit** for the fiscal year ended **June 30, 2025**, along with the associated **Plan of Action** submitted to the Oregon Secretary of State's Audits Division. Together, these documents reflect NCRD's financial position, governance practices, and corrective steps taken where needed.

#### Audit Results – High-Level Summary

##### Audit Opinion

- NCRD received an **unmodified (clean) audit opinion**.
- The auditors determined the financial statements present fairly, in all material respects, the District's financial position and results of operations in accordance with generally accepted accounting principles (GAAP).
- No material misstatements, fraud, or audit qualifications were identified.

##### Financial Position

- The District ended the fiscal year with a **net position of \$11.43 million**, an increase of approximately **\$2.84 million** from the prior year.
- Total assets are **\$21.3 million**, with approximately **\$18 million invested in capital assets**.
- Total liabilities are **\$9.9 million**, primarily related to long-term debt issued for capital construction.

##### Capital Investment

- Financial activity during the year was heavily influenced by the **Aquatic Center project**, which was under construction during FY 2025.
- Increased debt and capital assets reflect planned, board-approved investment in long-term community infrastructure rather than operational shortfalls.

##### Funds & Reserves

- Total governmental fund balance at year-end was approximately **\$3.13 million**.
- The General Fund maintains a stable unassigned fund balance, supporting ongoing operations and financial resilience.

##### Internal Controls & Compliance

- Auditors reported:
  - No disagreements with management
  - No uncorrected misstatements
  - No instances of fraud or material noncompliance
- All identified audit adjustments were reviewed and recorded by staff.

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# North County Recreation District

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## Plan of Action – Board Awareness Summary

As part of the audit process, the District adopted and submitted a **Plan of Action** addressing three significant deficiencies. These items are common in small and rural districts and relate to capacity and procedural structure, not financial instability.

### 1. Segregation of Duties

- **Issue:** Limited staffing restricts full separation of certain accounting duties.
- **Plan of Action:** Continue enhanced oversight through monthly financial reporting and Board review/approval.
- **Status:** Ongoing and immediately implemented.

### 2. Financial Statement Preparation (GAAP)

- **Issue:** The District relies on external auditors to assist with preparation of GAAP-compliant financial statements.
- **Auditor Guidance:** No change recommended; continued Board awareness and review is appropriate.
- **Plan of Action:** Continue outsourcing specialized accounting functions as the most cost-effective solution.
- **Status:** Ongoing and immediately implemented.

### 3. Compliance with Oregon Budget Law

- **Issue:** Certain expenditures exceeded appropriations prior to formal budget adjustments.
- **Plan of Action:** Increase monitoring of actual-to-budget expenditures and use timely supplemental budgets or appropriation transfers as needed.
- **Status:** Immediate corrective action taken.

---

## Board Role & Closing Summary

The audit and Plan of Action together demonstrate:

- Strong overall financial health
- Responsible management during a major capital transition year
- Appropriate corrective actions where procedural improvements were identified
- Active and necessary Board oversight as a key internal control

The audit is presented for **formal Board acceptance**, as required by the State of Oregon, along with acknowledgment of the Plan of Action already adopted by the Board.

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# PLAYBILL®

RIVERBEND PLAYERS  
COMMUNITY THEATER

NCRD PERFORMING ARTS CENTER 02/27/26 - 03/15/26

## MISERY

By WILLIAM GOLDMAN  
Adapted from the book by  
STEPHEN KING

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*"One of the Finest Acoustic  
Guitarists on the  
International Scene"  
Living Blues*

# Terry Robb

*"Robb's Guitar  
Playing Can Blow  
You AWAY"  
Vintage Guitar*

**SATURDAY** **March 28<sup>th</sup>**  
**7pm**

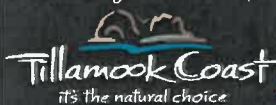
Terry has performed with Joe Cocker, Johnny Winter, and Curtis Salgado. He has won the Best Guitarist Award from the Cascade Blues Association so many times they named the award after him!

His music has been featured in The Game of Thrones and The Horse Whisperer. Our Portland Blues Festival veteran Bill Philips tells us that when Billy Gibbons of ZZ Top came to Portland he would ask "Where's Terry Robb playing tonight?"

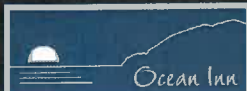
Terry has 17 recordings and has toured extensively in the U.S., Canada, and Europe.

**Welcome back to the NCRD Performing Arts Stage!**

*Thank you to our sponsors:*



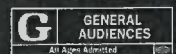
**MANZANITA  
BEACH GETAWAY  
VACATION RENTALS**



Rob and Sharon Borgford  
Jack and Cindy Kenne  
Erika Navarro and David Self  
*Nehalem River Retreat*

Reserved seating **\$20**  
General admission **\$15**

[tickettomato.com/event/9809](http://tickettomato.com/event/9809)



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[www.NCRD.org](http://www.NCRD.org)



Heart  
Tribute  
Band



*BARRACUDA CAPTURES THE SOUND OF HEART DOWN TO THE FINEST DETAIL BOTH VOCALLY AND INSTRUMENTALLY, AND HAVE TO BE SEEN TO BE BELIEVED!*

Barracuda, a tribute to Heart, first hit the stage in 2011, and rapidly became the top Heart tribute in North America. In 2012, having heard rave reviews of Barracuda, Heart's original lead guitarist and co-writer, Roger Fisher, drove from Seattle to Vancouver with brother Michael, Heart's original manager and sound technician, and also the subject of the song 'Magic Man' to see Barracuda. Roger and Michael went on record saying that Barracuda was the best Heart tribute they had ever seen, and they had seen many. Roger was so impressed with Barracuda that he made several special guest appearances with Barracuda, on both sides of the border.

Based in Vancouver, BC, Barracuda's DL Car covers the vocals of Ann Wilson with absolute perfection, which is not an easy task. Her precision is nothing short of breath-taking. Sourced out of Portland, Oregon is Sarah Moon, who perfectly covers the vocals and guitar of Nancy Wilson. In honoring Heart's roots and history, Barracuda includes two or three Led Zeppelin classics in their set.

SATURDAY  
APRIL 18

7pm

Reserved seating \$30

General admission \$25

AN ADDITIONAL \$5 AT THE DOOR

[tickettomato.com/event/9911](http://tickettomato.com/event/9911)



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