

MAR/19/2010

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CLACKAMAS COUNTY, OREGON

Comprehensive Annual
Financial Report

Year Ended June 30, 2009

Prepared by the Clackamas County Finance Department
and the Office of the County Treasurer
Marc S. Gonzales, Finance Director
Phyllis West, Finance Manager
Dan Haggerty, Audit Manager

CLACKAMAS COUNTY, OREGON**DRAFT**

GOVERNING BODY UNDER ORS 451.4
 BOARD OF COUNTY COMMISSIONERS
CLACKAMAS COUNTY, OREGON

Public Services Building
 2051 Kaen Road
 Oregon City, Oregon 97045

COMMISSIONERS AS OF JUNE 30, 2009

<u>Name</u>	<u>Term Expires</u>
Lynn Peterson, Chair Public Services Building	December 31, 2012
Bob Austin, Commissioner Public Services Building	December 31, 2010
Jim Bernard, Commissioner Public Services Building	December 31, 2010
Charlotte Lehan, Commissioner Public Services Building	December 31, 2012
Ann Lininger, Commissioner Public Services Building	December 31, 2010

ADMINISTRATIVE OFFICES

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

ACTING COUNTY ADMINISTRATOR

Steve Wheeler

LEGAL COUNSEL

Steven Lounsbury
 2051 Kaen Road
 Oregon City, Oregon 97045

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INTRODUCTORY SECTION

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March 31, 2010

To the Board of County Commissioners and the
citizens of Clackamas County, Oregon:

The Comprehensive Annual Financial Report (CAFR) of Clackamas County, Oregon for the year ended June 30, 2009 is hereby submitted as mandated by state statutes. These statutes require that Clackamas County issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of Clackamas County governmental and business type activities. All disclosures necessary to enable the reader to gain an understanding of Clackamas County's activities have been included.

Clackamas County's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

State statutes require an annual audit by independent certified public accountants. The accounting firm of Talbot, Korvola and Warwick, LLP, was selected to perform the audit for the year ended June 30, 2009. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984 and related OMB Circular A-133. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in a separate report.

Clackamas County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the US Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a Schedule of Expenditures of Federal Awards, the independent auditor's reports on internal controls and compliance findings and questioned costs, and reports on the internal control over

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financial reporting and compliance with certain provisions of laws, regulations, contracts and grants are included in a separately issued single report.

The financial reporting entity (the government) includes all the funds and account groups of the primary government (i.e., Clackamas County as legally defined, its blended component units and the Workforce Investment Council of Clackamas County, Inc., a discretely presented component unit), as well as all of its business type activities. The blended component units are legally separate entities whose governing boards are comprised of the members of the Clackamas County Board of Commissioners (the Board) and for which the primary government is financially accountable. The Board appoints one member of the governing board of the discretely presented component unit, which is a separate legal entity engaged in significant financial transactions with the County.

Additional information about the County's operations and the County's financial condition at June 30, 2009 is contained in the Management Discussion and Analysis (MD&A) section of the CAFR. The reader's attention is directed to the MD&A, an important source of information which complements that contained in this letter of transmittal.

Profile of the Government

Clackamas County is one of the three counties comprising the Portland metropolitan area in northwest Oregon. Although the County originally contained the territorial capital for the Oregon Territory and had boundaries extending east to what is now Montana and Idaho and north into today's British Columbia, Canada, the County is now 1,879 square miles extending east to include Mount Hood, Oregon's tallest peak, south to the Willamette Valley, west to the Willamette River and north to include some parts of south Portland. With a population estimated in November 2009 by the Portland State University Population Research Center at 379,845 (slightly less than a 1% increase since measured in 2008) and growing, the County is one of the more developable and rapidly developing parts of the state and of the Pacific Northwest. This is promoted by affordable house prices in certain areas, and the availability of desirable building lots in others which are being acquired and built upon in some relatively undeveloped cities such as Happy Valley and Damascus.

Clackamas County government provides a full range of services including but not limited to human services to the elderly and economically disadvantaged, public health and mental health services, planning and economic development, the construction and maintenance of highways and streets, public safety, and park services.

In January 2009, two additional commissioner positions were added to the Board. This change from the historical three-member Board was approved by voters in November 2007. The two newest members, whose terms expire at the end of 2010, will run for election this year.

Under the successful ballot measure, the Board's membership expanded to five members with an elected Chair and four Commissioners. The citizen panel that developed the recommended structure, and the Board of Commissioners in referring the

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ordinance, envisioned the Chair and Commissioners serving on a full-time basis and being compensated equally.

The Chair, unlike in some other jurisdictions, does not have authority above or beyond that of the other Commissioners. The function of the Board Chair is to conduct Commission meetings and events, to represent the Board's position on issues, and to coordinate the agenda for the weekly business meetings.

Today, with the rapid development of Clackamas County, the Board is expected to have a full-time workload and employment status. However, the ordinance passed by the voters directs the Board to re-examine board governance issues, including the full-time or part-time nature of the positions, in the spring of 2011.

Daily administrative functions are overseen by an appointed County Administrator, while the Board of Commissioners sets policy, adopts the annual budget and passes ordinances in accordance with state law. The County's acting chief administrative officer at June 30, 2009, Steve Wheeler, joined Clackamas County on July 1, 2006 as Deputy County Administrator. In March of 2009 the previous County Administrator Jonathan Mantay resigned his position; the Board appointed Mr. Wheeler to act as County Administrator until a decision was made for Mr. Mantay's replacement. In December 2009 the Board of Commissioners selected Steve Wheeler to take the appointment as the new County executive.

Also included in this report are the activities of the five other elected officials, who serve as department heads overseeing their respective functions. The Sheriff provides patrol, investigation, civil process, and corrections services; the District Attorney prosecutes criminal charges and maintains family support enforcement; the Treasurer is investor and custodian of County funds; the County Clerk conducts elections and maintains official records and the Assessor is responsible for the valuation of property for taxation and the subsequent application of all levies in the County to those properties. With the creation in 2009 of a Clackamas County Justice Court, which will hear traffic violation cases, small claims and other judicial matters once coming before the Circuit Court, an eleventh elected position was created. Justice Court Judge Karen Brisbin was appointed by the Governor and will run for election in November 2010.

In accordance with Oregon Local Budget Law, the County utilizes a budget committee consisting of the Commissioners and an equal number of citizens to review the departmental budgets for each fiscal year. The Board appoints many other volunteers to citizen advisory and review committees to assist the County in providing needed and desired services.

Compensation for elected officials is recommended by the Compensation Board for Elected Officials as part of the annual budget process. The Budget Committee takes into consideration the recommendation of the Compensation Board and approves a level of compensation to be included in the budget and documented in the County's personnel management system. The Commissioners act on those recommendations to set elected officials' salary compensation as they adopt the County budget.

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The Board of County Commissioners also serves as the governing body of

- the service districts providing surface water management, sewage treatment and lighting services;
- Clackamas County Development Agency, an Urban Renewal Agency;
- Clackamas County Enhanced Law Enforcement Service District;
- North Clackamas Parks and Recreation District;
- The Estacada Area Service District for Library Services, and
- the Housing Authority of Clackamas County, providing housing services to individuals meeting federal criteria as low income residents;

therefore these activities have been included in the reporting entity. Business type activities are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial positions and results of operations from those of the primary government.

In November 2008's general election, Clackamas County voters approved the creation of two additional service Districts, the **Clackamas County Extension and 4-H Service District** and the **Library Services District of Clackamas County**, which began operating in the 2009-2010 fiscal year. Each of these County service districts was formed with a tax levy approved by voters. Property tax inflows to support district operations commenced in November 2009, and the activities of the service districts will be reported in the County's CAFR at the end of the 2009-10 fiscal year.

The County is not financially accountable for and does not exercise significant influence over the Hospital Facility Authority of Clackamas County, a related organization. Thus the results of its activities have not been included in this report.

Budgeting Controls

The County maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the County's Board of Commissioners. Activities of the General Fund, special revenue funds, enterprise funds, internal service funds, capital projects funds, trust and agency funds and debt service funds are included in the annual appropriated budget of the County.

The County's budget process begins in late fall of each calendar year with the generation of cost allocation numbers for internal services to be distributed to operating departments.

The Budget Committee, comprised of the Commissioners and an equal number of citizen members appointed by the Commissioners, establishes expectations and policy targets for the upcoming budget season prior to January of each year. For the upcoming 2010-11 budget process, the ten-member Budget Committee will consider the proposed budget submitted by the Budget Officer, Mr. Wheeler.

The County issues its prospective budget calendar, holds a workshop to apprise departments of the requirements for the budget process, and allows time for

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departments to generate budget requests. Budgets are turned in to the Budget Office in March, reviewed and analyzed, and are referred back to departments for updates, corrections and subsequent meetings with the Budget Officer.

The Budget Officer presents the recommended budget to the Budget Committee at the first public Committee meeting and the Committee examines and hears departmental presentations and testimony on the budgets over the ensuing weeks. The County budget, once approved and forwarded from the Committee to the Board of Commissioners for adoption, undergoes a public hearing and adoption process prior to June 30, 2009 so that the next fiscal year will have its budget in place.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by expenditure category or program organizational unit within an individual fund. The County also maintains an encumbrance accounting system as one method of maintaining budgetary control. Encumbered amounts lapse at year's end. However, outstanding encumbrances are re-appropriated as necessary as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

Local Economic Condition and Outlook

The State of Oregon, trailing the developments affecting the national economy, is now in a similarly weak economic position with high unemployment, continuing business failures, bank takeovers and other negative economic indicators. The December 2009 figures from Oregon's State Economist show Oregon's standing at 47th among the 50 states in job growth, with a decline in statewide employment of 6.05 percent.

In summer 2008, the underpinnings of the national and world economy began to weaken and crumble. Driven by poor lending decisions on the part of the nation's mortgage lenders, and exacerbated by the securitization of those mortgages into investment packages, which lost value at alarming rates, the economy saw extraordinary losses in the equity markets and a collapse in investor confidence. Because the losses occurred in such a fundamental segment of the international economy, the banking systems, a rapid recessionary wave surged around the world. Although in economic terms the recession has started toward recovery at this writing, economic experts predict a long and painful period prior to most job-seekers and businesses perceiving emergence from the current crisis. Attempts by the federal government to stimulate the economy into productivity and expansion are presently being injected into the capital system.

As measured by the State Economist's Office at the end of calendar year 2009, employment levels in the Portland metro area fell by more than 4 percent in the first half of 2009. Clackamas County's only job growth sector was in state employment, with a 4.5 percent gain. State Economist Tom Potiowsky wrote in his December 2009 report that "*Even with the lack of timely indicators on the Oregon economy, it appears that the recession has ended or is very close to ending.*" This recognition of a change in economic conditions does not manifest as gains in County-wide employment, however.

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With these conditions, Clackamas County is drawing in its fiscal belt as it prepares the budget for the next fiscal period and the ones beyond. With a still healthy General Fund as of the end of the 2008-09 fiscal year, and revenues still acceptably robust in the current 2009-10 year, the County projects that the end of the current fiscal year will by and large meet or slightly exceed estimates of revenues; however, curtailing of discretionary expenditures is in progress.

The County's business base has changed over time to favor retail, warehousing, and tourism, with metals manufacturing, machinery and Christmas tree and berry agriculture continuing to hold an important place in the economic mix. The County's economic development efforts are yielding fruit, as new employers are being attracted to the County's industrial area and expanding urbanized areas. The caution is that these sectors of employment are among the most affected by the current slowdown.

Clackamas County has passed through the end of a decade of steady growth in population and development. Leading into the fiscal year beginning July 2009, taxable real estate assessed values (as calculated by County Assessor Bob Vroman) grew to nearly \$34.52 billion; this represents a strong holding pattern in local property valuation in spite of the nationwide reductions in property values from effects of the national economy. The Portland metro area and Clackamas County both experienced in 2009 the unusual phenomenon of slowing real estate sales concurrent with muted downward impact on home prices.

Long Term Planning Efforts and Major Initiatives

The County has undertaken over 50 large scale projects, from business retention and recruitment to expansion of the educational opportunities available through programs linking community colleges and universities in the Portland area, from transportation system improvements through our fastest growing communities to employee succession planning for the baby-boom retirement wave, as budgetary priorities beginning in the 2007-08 fiscal year and extending forward.

The County's Facilities Master Plan was developed by a joint committee of private citizens and County department heads. The plan described County office development on the 60-plus acre campus in the Red Soils area of hilltop Oregon City.

The County has now completed the first and second buildings in the envisioned complex. The Public Services Building (PSB), completed and opened in July 2004, brought together 17 departments to make services more conveniently accessible to citizens. The second new office building at the campus, the Development Services Building (DSB) opened in November 2008 to house development related services such as Planning, Building Permits, County Surveyor, Water Environment Services, Development Agency and Assessment and Taxation. The PSB and the DSB were designed and built as energy-efficient and environmentally low-impact facilities, to create a model for the rest of the buildings to be constructed under the Facilities Master Plan. Each has been certified under the US Green Building Council's Leadership in Energy and Environmental Design program (LEED).

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Associated with those building projects are a Central Utility Plant and an underground utility corridor or "Utilidor" which will serve the entire campus as new buildings come on line, creating a central source for heating and cooling and providing a highway for data and telephone communication connections linking all campus buildings. The Central Utility Plant and the Utilidor have been completed and now serve the DSB and the PSB. The Central Plaza of the Campus has also been completed and is the linking green space between the new facilities.

In December 2006 the Board of Commissioners commissioned a study group to examine what amount of capital investment would be needed to replace the aging Jail operated by County Sheriff Craig Roberts and his staff. The County committed two years and extensive resources toward planning for a modernized 800 bed Adult Detention Facility. When economic conditions began to disintegrate in the summer of 2008, the decision to suspend movement toward construction of a new facility was made in the interest of fiscal stability.

In March 2009, the Commissioners authorized improvements to the existing jail to correct facility problems, add 50 new beds, and provide a new medical care unit. An additional project will create a centralized Sheriff's Office in the Clackamas area using the County's Sunnybrook Service Center. Designs for the Sunnybrook remodel and improvements to the existing Jail at the Red Soils campus property are nearly complete, with Requests for Proposals for construction to be released in February 2010. The County will also create a new Evidence Processing Facility in the Red Soils area for the storage and indexing of evidence for criminal cases. These projects benefiting the Sheriff's operations are estimated to cost approximately \$29.5 million, and will provide for interim solutions to the longer-term detention capacity issues at the County jail.

Relevant Financial Policies

The County has established targets for ending fund balances, which, coupled with austerity measures applied throughout the County government, have yielded annual increases in fund balance in the County's General Fund over the last several years, even as increasing provisions for capital reserves have been budgeted and transferred. In the last six years, General Fund ending balances have grown from \$7.1 million to over \$16.9 million at the end of fiscal 2007-08. With economic pressures affecting the County similarly to other governments, Fund Balance in the General Fund declined to approximately \$14.10 million at June 30, 2009.

A brighter revenue note in January 2010 was the passage of two tax measures referred to the voters, creating an income tax increase for individuals earning over \$125,000 annually and jointly filing households with more than \$250,000 in income, as well as an increase in the corporate minimum tax (set at \$10 in the 1930's) and a gross receipts tax on corporate entities. These increased tax revenues will support schools and human services funded at the state level.

Cash temporarily idle during the year was invested in various instruments including general obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, corporate debt instruments and bankers' acceptances, and the State Treasurer's investment pool.

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Investments of the County and other entrusted funds are made under the restrictions of Oregon law, and in accordance with the County's Investment Policy.

The County budgets for its Risk Management activities in an Internal Service fund. Risk Management is predicated on an actuarial study, which has assigned a probability of loss to unemployment, casualty, worker's compensation and liability claims. Resources are being accumulated in the Risk Management Fund to meet potential loss obligations. Third party coverage is maintained for certain casualty and liability losses.

Awards and Acknowledgements

Awards

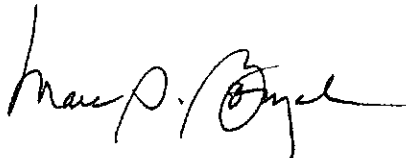
The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Clackamas County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. That was the 16th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Clackamas County did not apply for the award for the June 30, 2008 CAFR owing to the timing of CAFR publication.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department, and the contributions and cooperation of the entire staff of the County Treasurer's Office. Each contributing member of County staff has our sincere appreciation for their assistance in the preparation of this report.

Acknowledgment is also due to the Board of County Commissioners and County Administrator, whose leadership and support made the preparation of this report possible.

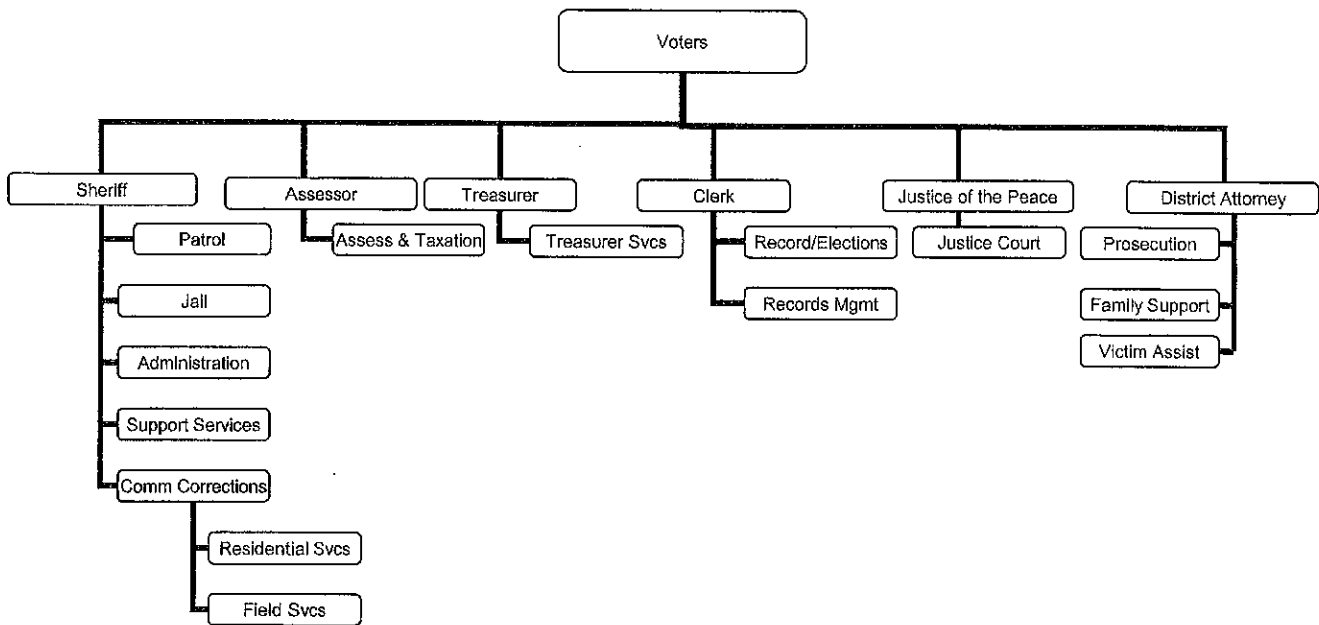
Sincerely,



Marc S. Gonzales
Finance Director

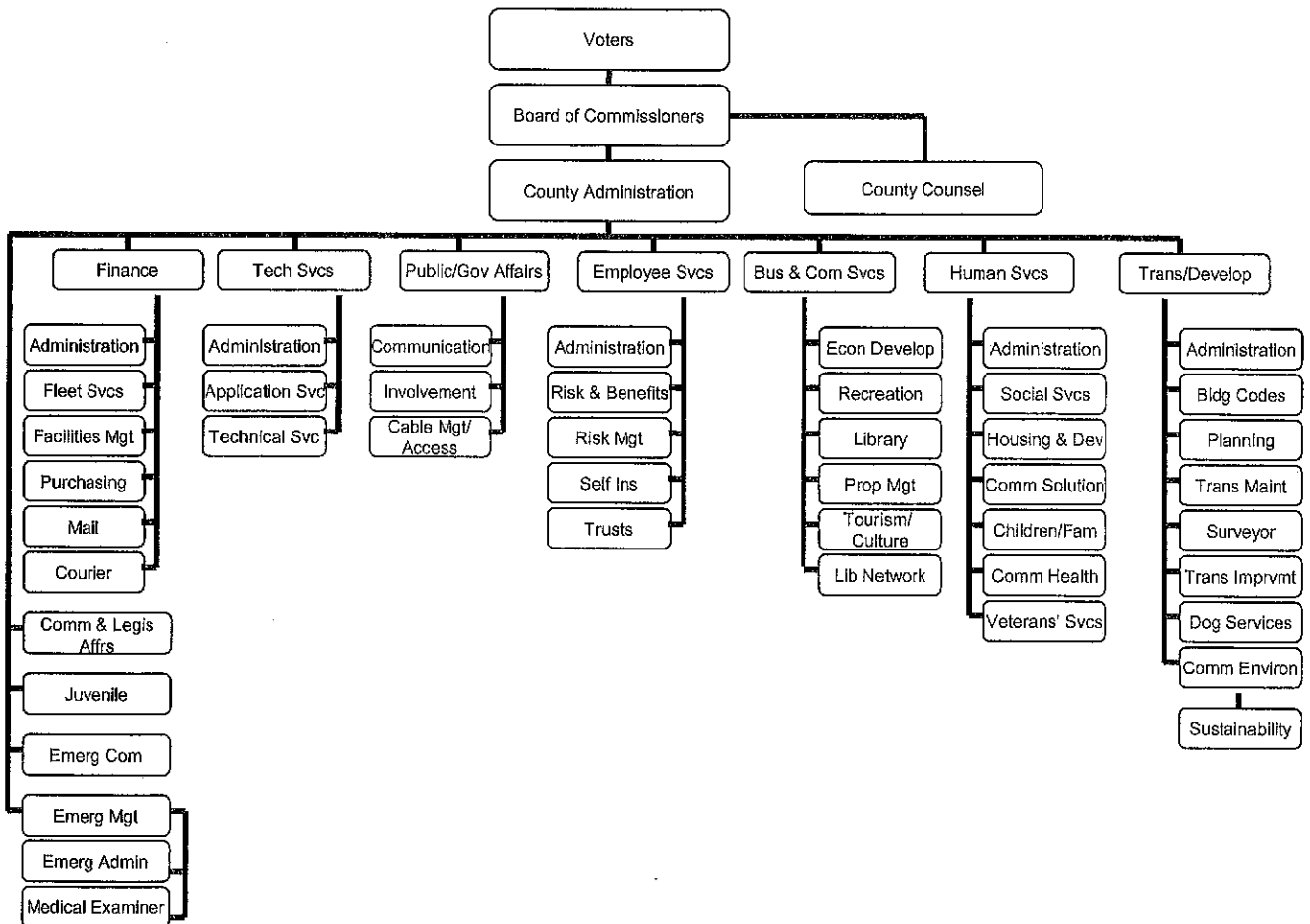
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Clackamas County Elected Officials



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All Other Departments



DRAFT**CLACKAMAS COUNTY, OREGON****PRINCIPAL OFFICIALS****JUNE 30, 2009****BOARD OF COUNTY COMMISSIONERS**

<u>Title</u>	<u>Name</u>
Commissioner, Chair	Lynn Peterson
Commissioner	Bob Austin
Commissioner	Jim Bernard
Commissioner	Charlotte Lehan
Commissioner	Ann Linger

OTHER ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
Assessor	Bob Vroman
County Clerk	Sherry Hall
District Attorney	John Foote
Sheriff	Craig Roberts
Treasurer	Shari A. Anderson
Justice of the Peace	Karen Brisbin

MANAGEMENT OFFICIALS

<u>Title</u>	<u>Name</u>
Acting County Administrator	Steve Wheeler
Finance Director	Marc Gonzales
Employee Services Director	Nancy Drury
Public and Government Affairs Director	Elissa Gertler
Human Services Director	Cindy Becker
Transportation and Development Director	Cam Gilmour
Water Environment Services Director	Michael Kuenzi
Business and Community Services Director	Dan Zinzer
Juvenile Director	Ellen Crawford
Emergency Management Director	Dana Robinson
County Counsel	Steven Lounsbury
Technology Services Director	David Cummings
Communications Department (C-Com) Director	Bob Cozzie
Family Court Services Director	Lauren MacNeill

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT**DRAFT**

March 31, 2010

Board of County Commissioners as Governing Body
of Clackamas County, Oregon
Oregon City, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clackamas County, Oregon (the County) as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit of the County. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinions on the basic financial statements, insofar as they relate to the amounts included for the discretely presented component unit are based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration 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 County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clackamas County, Oregon, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose

Board of County Commissioners as Governing Body
of Clackamas County, Oregon
March 31, 2010
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of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis as listed in the Table of Contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Required Supplementary Information (budgetary comparison information for the General and major special revenue funds), as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information for these funds has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements and other schedules, as listed in the Table of Contents as Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying Introductory and Statistical Sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and we express no opinion on them.

TALBOT, KORVOLA & WARWICK, LLP
Certified Public Accountants

By _____
Timothy R. Gillette, Partner

MAR/19/2010

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MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

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This discussion and analysis of the Clackamas County Comprehensive Annual Financial Report (CAFR) offers readers a narrative overview of financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and the notes to the basic financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars. Presentation in thousands has resulted in insignificant rounding differences between Management's Discussion and Analysis and audited statements found throughout the CAFR.

The County has ten component units included in this presentation. They include nine blended components, the Clackamas County Development Agency (CCDA), Clackamas County Enhanced Law Enforcement District (CCELED) North Clackamas Park and Recreation District (NCPRD), Clackamas County Service District No. 1 (CCSD-1), a sanitary sewer district, Clackamas County Service District No. 5 (CCSD-5), a street and highway lighting district, Tri-City Service District (TCSD), a sanitary sewer district, Surface Water Management Agency of Clackamas County (SWMACC), the Housing Authority of Clackamas County, Oregon (HACC), and the Estacada Area County Service District for Library Services (EACSDLS). In addition, the Workforce Investment Council of Clackamas County, Inc. is displayed as a discrete component unit.

FINANCIAL HIGHLIGHTS

- The assets of Clackamas County exceeded its liabilities at June 30, 2009 by \$1,024,447 (reported as net assets). Of this amount, \$7,420 is restricted for future years' debt payments and \$11,409 is restricted for property acquisition and development projects.
- Total net assets increased by \$15,657 or 1.5% in fiscal year 2009. Various reasons account for the fiscal year 2009 increase in net assets which are discussed by management below.
- In governmental activities, revenue from fees, fines, and charges for services decreased by \$6,320 or 16.9% over the prior year. The economy continued to slow and business activity decreased significantly. Intergovernmental revenue decreased by \$1,668 or 1.5% over the previous year, although the County continues to actively pursue various state and federal grants to help fund an increasing demand for services. Capital grants and contributions increased by \$666 or 2.0% as the county completed several significant capital projects.
- Property tax revenues increased by \$6,698 or 6.1% over the prior year. Continued tax base expansion, due to the completion of new construction begun before the economic slowdown and the annual 3% increase in taxable value for individual properties, allowed under Measure 50, was responsible for the significant increase in property tax revenue.
- Interest and investment earnings for governmental activities decreased by \$5,596 or 55.7% over the prior year due to a considerably lower rate of return on investments.
- General government expenses for governmental activities decreased by \$715 or 1.7% from the prior year, as funds were diverted to service activities.
- Net assets for business-type activities increased by \$1,575 or .7% in fiscal year 2009, although revenues decreased in all categories except for fees and charges for services.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**DRAFT**JUNE 30, 2009**FINANCIAL HIGHLIGHTS (Continued)**

- Total assets for business-type activities increased by \$38,491 or 15.4% over the prior year and total liabilities increased by \$36,916 or 119.4% in fiscal year 2009.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$127,120, a decrease of \$36,132 or 22.1%.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$13,984, or approximately 28.2% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and 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 County's finances, in a manner similar to private-sector business.

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods, such as uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (the governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (the business-type activities). The governmental activities of the County include general government, public safety and justice, health and social services, roads and bridges, recreation, and libraries. The business-type activities include housing and development, sanitation, surface water management, and street lighting.

The government-wide financial statements can be found on pages 14 and 15 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)JUNE 30, 2009**DRAFT****OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The County adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County'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 the 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 County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities in the government-wide financial statements.

The County maintains sixty-four 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 Balance for the General Fund, Community Health Fund, Sheriff Operations Fund, and the DTD Capital Projects Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements and respective reconciliations can be found on pages 16 through 19 of this report.

Proprietary Funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its low income housing, sanitary and sewer operations, and the County's golf course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its risk management and self-insurance activities, employee assistance programs, printing, communications and data processing, equipment, fleet, and facilities management programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)JUNE 30, 2009**DRAFT****OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20 through 23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support County programs. The accounting for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 26 of this report.

Required supplementary information (RSI). In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, specifically budgetary comparison schedules for the General and major special revenue funds. Required supplementary information can be found on pages 65 through 68 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of the County's financial position. The County's net assets increased moderately over the restated balance at the beginning of the current fiscal year. This increase arises primarily in the excess of program and general revenues over expense in the Statement of Activities and flows to the Statement of Net Assets, as shown on the following page.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

DRAFTJUNE 30, 2009**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

A condensed Statement of Net Assets at June 30, 2009 and 2008 follows:

	Governmental Activities		Business-Type Activities		Total	
	2009	2008 (as restated)	2009	2008	2009	2008 (as restated)
Current and other assets	\$ 234,544	\$ 260,872	\$ 65,738	\$ 53,960	\$ 300,282	\$ 314,832
Capital assets, non-depreciable	435,337	447,333	52,456	36,296	487,793	483,629
Capital assets, depreciable	353,155	298,580	169,941	159,388	523,096	457,968
Total assets	<u>1,023,036</u>	<u>1,006,785</u>	<u>288,135</u>	<u>249,644</u>	<u>1,311,171</u>	<u>1,256,429</u>
Current liabilities	91,260	83,331	7,789	7,364	99,049	90,695
Liabilities due after one year	127,643	133,403	60,031	23,540	187,674	156,943
Total liabilities	<u>218,903</u>	<u>216,734</u>	<u>67,820</u>	<u>30,904</u>	<u>286,723</u>	<u>247,638</u>
Net assets:						
Invested in capital assets, net of related debt	659,773	608,482	184,085	170,268	843,858	778,750
Restricted:						
Debt service	598	276	6,822	4,873	7,420	5,149
Acquisition and development	11,409	24,194	-	-	11,409	24,194
Unrestricted	132,353	157,099	29,408	43,599	161,761	200,698
Total net assets	<u>\$ 804,133</u>	<u>\$ 790,051</u>	<u>\$ 220,315</u>	<u>\$ 218,740</u>	<u>\$ 1,024,448</u>	<u>\$ 1,008,791</u>

For governmental activities, total assets increased \$16,251 or 1.6% during fiscal 2009, owing primarily to an increase in total capital assets, due to the completion of a number of major construction projects and a decrease in cash and investments.

Total net assets for governmental activities increased \$14,082 or 1.8% over the previous year. Current year growth of net assets is discussed below in the Statement of Activities section.

Business-type activities report an increase in total assets of \$38,491 or 15.4% during fiscal 2009, resulting primarily from increases in cash and investments and capital assets. Cash and investments increased by \$10,989 or 22.0%, in addition, land, easement and construction in progress increased \$16,160 or 44.5%, while capital assets net of depreciation increased \$10,553 or 6.6%. Overall, liabilities increased \$36,916 or 119.5% from the prior year, with an increase in current liabilities, and an increase in long-term liabilities that reflects the issuance of revenue bonds by Service District No. 1 in the amount of \$38,460.

Total net assets for business-type activities increased \$1,576 or 0.7% over the previous year. Net asset increases are discussed in the following Statement of Activities section.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2009

DRAFT**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

A condensed Statement of Activities for the years ended June 30, 2009 and 2008 follows:

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Fees, fines, charges for services	\$ 31,030	\$ 37,350	\$ 41,086	\$ 39,509	\$ 72,116	\$ 76,859
Operating grants and contributions	110,471	112,139	2,573	3,006	113,044	115,145
Capital grants and contributions	32,632	31,966	5,922	9,828	38,554	41,794
General revenues:						
Property taxes	115,728	109,030	-	-	115,728	109,030
Other taxes	4,849	4,951	-	-	4,849	4,951
Gain on disposal of assets	265	1,888	-	-	265	1,888
Investment earnings	4,448	10,044	1,309	2,525	5,757	12,569
Miscellaneous	1,390	3,776	1,343	1,548	2,733	5,324
Total revenues	<u>300,813</u>	<u>311,144</u>	<u>52,233</u>	<u>56,416</u>	<u>353,046</u>	<u>367,560</u>
Expenses:						
General government	39,437	40,152	-	-	39,437	40,152
Public protection	90,073	88,172	-	-	90,073	88,172
Public ways and facilities	42,677	40,229	-	-	42,677	40,229
Health and sanitation	66,268	62,922	-	-	66,268	62,922
Culture and recreation	13,544	11,175	-	-	13,544	11,175
Education	7,741	7,606	-	-	7,741	7,606
Economic development	21,453	15,494	-	-	21,453	15,494
Interest and fiscal charges	5,538	6,199	-	-	5,538	6,199
Sanitary sewer and surface water	-	-	27,644	24,774	27,644	24,774
Housing assistance	-	-	18,814	18,504	18,814	18,504
Golf	-	-	2,412	2,322	2,412	2,322
Lighting	-	-	1,788	1,676	1,788	1,676
Total expenses	<u>286,731</u>	<u>271,949</u>	<u>50,658</u>	<u>47,276</u>	<u>337,389</u>	<u>319,225</u>
Increase in net assets before transfers	14,082	39,195	1,575	9,140	15,657	48,335
Transfers	-	207	-	(207)	-	-
Increase in net assets	<u>14,082</u>	<u>39,402</u>	<u>1,575</u>	<u>8,933</u>	<u>15,657</u>	<u>48,335</u>
Net assets, beginning of year,						
as previously reported	790,051	750,336	218,740	208,807	1,008,791	960,143
Restatement	-	313	-	-	-	313
Net assets, end of year	<u>\$ 804,133</u>	<u>\$ 790,051</u>	<u>\$ 220,315</u>	<u>\$ 218,740</u>	<u>\$ 1,024,448</u>	<u>\$ 1,008,791</u>

For governmental activities, expenses increased while revenues decreased. Total revenue decreased \$10,332 or 3.3% over the prior year. A decrease of \$6,320 or 16.9%, owing to a decrease in the demand for services as the economy began to deteriorate, was reported in fees, fines and charges for services. A reduction of \$1,668 or 1.5% was reported in operating grants and contributions due, in part, to decreased funding in State mental health and public health programs. Capital grants and contributions increased by \$665 or 2.1% due in part to the continuation of large infrastructure projects. Growth in property taxes receipts of \$6,698 or 6.1% were related to an increase in the tax base due to the 3% annual growth permitted by statute and the return of tax-restricted urban renewal property to the general tax rolls. A

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)JUNE 30, 2009**DRAFT****GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

decrease in investment earnings in the amount of \$5,596 or 55.7% resulted from the County safe-keeping funds in only the most conservative investments during the continued period of market instability. In addition, miscellaneous revenue decreased by \$2,386 or 63.2%, in keeping with the general trend of declining revenue, during the current year.

For governmental activities, total 2009 expenses increased \$14,782 or 5.4%. Increases were reported in Public Protection of \$1,901 or 2.2%, in Public Ways and Facilities of \$2,448 or 6.1%, Health and Sanitation of \$3,346 or 5.3%, Culture and Recreation of \$2,369 or 21.2%, in Education of \$135 or 1.8% and in Economic Development of \$5,959 or 38.5%. Decreases were reported in General Government of \$715 or 1.8% and in Interest and Fiscal Charges of \$661 or 10.7%. General Government expense declined modestly because of a decrease in the number of FTEs as staff was reduced to trim expenses. Public Protection expense increased primarily at the Sheriff's Office, with the growth in spending funded by new public safety and Homeland Security grants. Public Ways and Facilities expense increased as work on a number of highway and bridge construction projects increased in response to significant winter storm damage and population growth. In Health and Sanitation the increase reflected the rise in demand for mental and public health services as many County residents lost their jobs and health insurance in the continuing recession. Culture and Recreation expense increased as NCPRD faced greater expenses in the aquatic and leisure program areas, the programs for seniors and interest on long-term debt. Economic Development expense increased due to continued redevelopment projects in the Clackamas Town Center and Government Camp areas. In Interest and Fiscal Charges there were no new long-term debt issues.

For business-type activities, the excess of program revenues over program expenses was \$181 in Sanitary Sewer and Surface Water activities, which was a decrease of \$4,923 or 96.5% over the prior year. The excess of program revenues over program expenses was \$368 in Golf, which was a decrease of \$112 or 23.3% over the prior year. The excess of program revenues over program expenses was \$90 in Lighting, which was an increase of \$44 or 95.7% over the prior year. Earnings on investments amounted to \$1,308, which was a decrease of \$1,216 or 49.2% over the prior year. Offsetting these increases to net assets was a deficit in the Housing Assistance program of \$(1,716). This deficit was an increase of \$(1,153) or 248.0% from the prior year. Please see the Statement of Revenues, Expenses, and Changes in Net Assets, Proprietary Funds, for more detail relating to business type activities.

FUND ANALYSIS

The primary fund of the County, the General Fund, ended a year of operations with a decrease in fund balance of \$2,782 or 16.5%. Total revenues in the General Fund increased \$5,828 or 4.5% over the prior year, due primarily to increases in property taxes of \$4,016 or 4.9% and miscellaneous of \$1,383 or 9.7%, other taxes of \$304 or 16.1%, in licenses and permits of \$193 or 15.7%, in intergovernmental revenue of \$83 or 0.8%, and in charges for services of

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)JUNE 30, 2009**DRAFT****FUND ANALYSIS (Continued)**

\$335 or 2.5%, which were offset by decreases in fines, forfeitures, and penalties of \$53 or 7.8% and in interest of \$429 or 41.3%. Charges for services to other County funds revenue increased \$1,081 or 11.3% over the prior year; however, this was partially offset by a decrease in charges for services to others in the amount of \$746 or 20.6%. Expenditure increases of \$4,980 or 11.2% during the year were primarily in County administration and departments and the operations under the various elected officials.

The Community Health Fund reported an ending fund balance of \$1,576, which was a decrease of \$2,565 or 61.9% from the prior year ending fund balance. Revenues decreased \$2,880 or 8.1% over prior year revenues, with declines in both State and Federal funding for mental health services and for low-income patients of the County's clinic. The slight increase in expenditures of \$119 or .3% of prior year expenditures reflected the decline in revenue. There was a decrease of 1.9% in personal services with the elimination of several full-time staff positions. There was a small increase of \$390 in materials and services related to programs for children, the developmentally disabled, and services to low-income patients for the current fiscal year.

The Sheriff Operations Fund experienced an increase in fund balance of \$594 or 19.2%. Revenues increased by \$1,575 or 12.4%, with an increase in the recovery of costs on local intergovernmental contracts of \$1,037 or 16% and various reimbursements for services up \$78 or 1.8%. Expenditures increased 4.6% or \$2,440, with increases in most expenditure categories offset by a small decrease in Administration and Operations. The Detectives saw the largest increase of \$1,130 or 23.1%, as personnel were added. Also noteworthy is the increase for the fourth year in a row of transfers from the General Fund of \$723 or 1.8% to keep jail beds open.

Of the nonmajor special revenue funds, only the Parks Trust Fund had a significant increase in fund balance of \$1,464 or 67.7%, due to the fact that it had no expenditures during 2009. Five nonmajor special revenue funds experienced significant decreases in fund balance during 2009. These funds were the Community Corrections Fund, which decreased \$1,023 or 32.3% due to a significant increase in parole and probation activities; the Development Services Fund, which decreased \$2,966 or 59.7% as fees for building permitting and inspections declined while expenses for these activities increased; the Parks Fund, which decreased \$1,586 or 800.2% because support from the General Fund fell to less than 10% of what it had been in 2008; the Transportation System Development Charge Fund and the Joint Transportation SDC Fund both experienced significant decreases, with the former declining \$4,181 or 29.6% and the latter declining \$5,438 or 183.4%, because of large transfers out to the DTD Capital Fund to pay for infrastructure projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2009

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FUND ANALYSIS (Continued)

General Fund Budgetary Highlights

The General Fund budget was amended only minimally during the year. The non-departmental budget was increased by \$2,443 or 16.0%. Other budget amendments were small and limited in number.

Total revenues in the General Fund were under budget by \$2,110 or 1.6%. Property taxes and charges for services to other County funds exceeded budget by \$245 or 0.2% and \$167 or 1.6%, respectively and other taxes exceeded budget by \$167 or 8.3% as well. Intergovernmental federal revenues were under budget due to the timing of public protection projects. Miscellaneous revenues were under budget \$1,509 or 9.3% due to lower than expected payroll reimbursements from component units also reporting below budget personnel expense. Positive expenditure variances were in all general government categories except for the County Administration and the County Counsel, which both exceeded their budgets by an immaterial amount. Total expenditures in the General Fund were \$16,642 or 25.1% under budget. Overall the General Fund experienced a decrease in fund balance on the budgetary basis of \$3,115 or 19.3%.

CAPITAL ASSETS

Governmental activities as of June 30, 2009 had invested \$788,492 in capital assets net of depreciation. This was an increase of \$42,580 or 5.7% over the prior year. Infrastructure, primarily roads, net of depreciation increased \$3,428 or 1.7% during the year. Depreciation of \$14,601 was recorded for the roads network. Road right-of-ways increased \$2,493 during the year. Construction in progress decreased \$20,051, as many projects, including significant road improvements and the Development Services Building at the Red Soils campus, were completed and put into service. A number of infrastructure projects throughout the County, including improvements to the Clackamas Town Center area and the Sunrise Corridor account for the additions to construction in progress.

For business type activities, capital assets net of depreciation increased \$26,714 or 13.7% over the prior year. Construction in progress increased \$15,247 from water system and low income housing projects. Plants and line system net of depreciation increased \$10,213. Accumulated depreciation increased \$8,959 in total. Please see Note 1 for capital asset policy and Note 5 for capital asset activity.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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JUNE 30, 2009

CAPITAL ASSETS (Continued)

A condensed schedule of capital assets, net of depreciation, for June 30, 2009 and 2008 follows:

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land and right of way	\$ 362,104	\$ 354,049	\$ 17,007	\$ 16,095	\$ 379,111	\$ 370,144
Construction in progress	73,232	93,283	35,448	20,201	108,680	113,484
Buildings and improvements	127,950	78,468	15,073	16,161	143,023	94,629
Equipment and vehicles	20,582	18,916	2,260	947	22,842	19,863
Plants and line systems	-	-	151,260	141,039	151,260	141,039
Infrastructure	204,624	201,196	-	-	204,624	201,196
Street lighting poles	-	-	1,349	1,240	1,349	1,240
Total	\$ 788,492	\$ 745,912	\$ 222,397	\$ 195,683	\$ 1,010,889	\$ 941,595

DEBT ADMINISTRATION

During fiscal year 2009 Clackamas County issued no new bonds. Under state law, the County has a debt limitation of 2% of the total assessed value of taxable property in Clackamas County. At June 30, 2009 the County was well below the legal limitation imposed under state law. Please see Note 8 for additional detail relating to long-term debt. Following is a condensed schedule of long-term debt as of June 30, 2009 and 2008:

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Bonds payable:						
Revenue bonds	\$ 30,544	\$ 36,417	\$ 46,265	\$ 8,815	\$ 76,809	\$ 45,232
General obligation bonds	18,875	19,105	8,900	9,170	27,775	28,275
Full faith and credit obligations	58,940	61,100	5,150	5,400	64,090	66,500
Bancroft tax assessment bonds	1,400	1,400	-	-	1,400	1,400
Premiums	226	238	90	-	316	238
Discount	-	-	(173)	(183)	(173)	(183)
Deferred amount on refunding	-	-	(348)	(444)	(348)	(444)
Total bonds payable	109,985	118,260	59,884	22,758	169,869	141,018
Other long-term debt:						
Contracts, notes and loans payable	17,955	12,933	2,161	3,062	20,116	15,995
Capital leases	-	40	-	-	-	40
Total long-term debt	\$ 127,940	\$ 131,233	\$ 62,045	\$ 25,820	\$ 189,985	\$ 157,053

ECONOMIC FACTORS

Property taxes represent a significant revenue source for governmental activities. Approximately 91.4 percent of general revenues reported for the County as a whole in the Statement of Activities are property taxes. Approximately 38.3 percent of total revenues reported for governmental activities are property tax revenues. Property tax growth for the County and component units was 6.1 percent for the year. Because the County is dependent upon taxes, it is appropriate to discuss the continued effect of Measure 50. The 1997 property tax limitation rolled back assessed values to 90 percent of 1995-96 levels, established permanent tax rates and limited assessed value growth for individual properties to 3 percent per year. Certain taxes, such as those levied to pay bonded debt, were exempted from Measure 50 reductions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2009

DRAFT

ECONOMIC FACTORS (Continued)

Many County programs, particularly Human Services and Community Corrections, are supported largely by State of Oregon revenues, which in turn are income tax based and dependent on a healthy employment picture. Indicators at the State level are helpful in predicting future County revenues. Year over year employment growth which had been above 2.0% since the second quarter of 2004 has turned around sharply since the end of the 2008 fiscal year. Rapid job losses have left Oregon with an unemployment rate hovering around 11%. This has led to State income tax collections falling markedly for the two year State budgetary period, ending June 30, 2009. Oregon experienced a significant shortfall in revenue for the 2007-2009 biennium, although this will be relieved somewhat by the new federal stimulus package during the 2010 fiscal year. It appears extremely likely that state funding available to the County going forward will be significantly less than the funding level for the 2009 fiscal year.

The County continues to evaluate and balance available revenue against expenditures and service levels, and to seek operating efficiencies. Management emphasizes sound financial and operational decision-making with a focus on strategic thinking and planning. Key objectives at present include focusing programs and services to promote the County's core mission and development of a financial plan that fosters sustainability for the next three to five years.

MAR/19/2010

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BASIC FINANCIAL STATEMENTS

CLACKAMAS COUNTY, OREGON

MAR/19/2010

STATEMENT OF NET ASSETS

JUNE 30, 2009

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	Governmental Activities	Business-Type Activities	Total Primary Government	Investment Council of Clackamas County, Inc.
ASSETS				
Cash and Investments	\$ 180,863,664	\$ 60,909,743	\$ 241,773,407	\$ 15,521
Taxes receivable	7,376,210	2,156	7,378,366	-
Accounts receivable, net	10,205,150	3,287,531	13,492,681	-
Assessments receivable including interest, net	851,738	1,253,587	2,105,325	-
Grants receivable	11,115,845	-	11,115,845	845,392
Notes and contracts receivable	8,229,959	45,038	8,274,997	-
Internal balances	1,691,775	(1,691,775)	-	-
Other assets	836,738	170,017	1,006,755	1,794
Land held for resale	12,633,945	-	12,633,945	-
Unamortized bond discount and issuance cost	738,744	932,975	1,671,719	-
Intangible assets, net	-	828,909	828,909	-
Capital assets:				
Land, easement and construction in progress	435,337,056	52,455,523	487,792,579	-
Other, net of accumulated depreciation	353,155,284	169,941,373	523,096,657	15,361
TOTAL ASSETS	1,023,036,108	288,135,077	1,311,171,185	878,068
LIABILITIES				
Accounts and claims payable	21,994,162	3,196,549	25,190,711	837,643
Accrued payroll	9,876,107	419,289	10,295,396	18,154
Deposits	771,693	143,278	914,971	-
Unearned revenue	41,066,122	346,248	41,412,370	-
Accrued interest payable	469,831	608,315	1,078,146	-
Other current liabilities	852,046	766,728	1,618,774	-
Long-term liabilities:				
Portion due or payable within one year:				
Compensated absences	6,123,506	149,537	6,273,043	-
Bonds payable	8,713,508	1,907,689	10,621,197	-
Contracts, notes and loans payable	1,393,010	250,647	1,643,657	-
Portion due or payable after one year:				
Compensated absences	1,084,454	49,845	1,134,299	-
Bonds payable	101,271,450	57,976,013	159,247,463	-
Contracts, notes and loans payable	16,561,568	1,910,183	18,471,751	-
Other postemployment benefits	8,725,823	95,252	8,821,075	-
TOTAL LIABILITIES	218,903,280	67,819,573	286,722,853	855,797
NET ASSETS				
Invested in capital assets, net of related debt	659,772,975	184,085,331	843,858,306	-
Restricted:				
Debt service	597,898	6,822,250	7,420,148	-
Acquisition and development	11,409,316	-	11,409,316	-
Unrestricted	132,352,639	29,407,923	161,760,562	22,271
TOTAL NET ASSETS	\$ 804,132,828	\$ 220,315,504	\$ 1,024,448,332	\$ 22,271

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

CLACKAMAS COUNTY, OREGON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

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Net Revenues (Expenses) and
Change in Net Assets

ACTIVITIES	Program Revenues				Primary Government			Component Unit
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	WICCO
Primary government:								
Governmental activities								
General government	\$ 39,437,471	\$ 13,781,168	\$ 11,935,523	\$ -	\$ (13,720,780)	\$ -	\$ (13,720,780)	\$ -
Public protection	90,072,845	2,389,926	17,389,155	-	(70,293,764)	-	(70,293,764)	-
Public ways and facilities	42,676,670	2,689,321	7,316,195	32,631,510	(39,644)	-	(39,644)	-
Health and sanitation	66,267,791	6,234,479	57,819,070	-	(2,214,242)	-	(2,214,242)	-
Culture and recreation	13,544,268	4,574,013	2,390,824	-	(6,579,431)	-	(6,579,431)	-
Education	7,741,039	361,661	1,382,402	-	(5,996,976)	-	(5,996,976)	-
Economic development	21,453,399	999,833	12,238,034	-	(8,215,532)	-	(8,215,532)	-
Interest and fiscal charges	5,538,161	-	-	-	(5,538,161)	-	(5,538,161)	-
Total governmental activities	<u>286,731,644</u>	<u>31,030,401</u>	<u>110,471,203</u>	<u>32,631,510</u>	<u>(112,598,530)</u>	<u>-</u>	<u>(112,598,530)</u>	<u>-</u>
Business-type activities								
Sanitary sewer and surface water	27,643,961	22,141,681	-	5,683,015	-	180,735	180,735	-
Housing assistance	18,814,352	14,491,172	2,573,136	34,417	-	(1,715,627)	(1,715,627)	-
Golf	2,412,046	2,779,987	-	-	-	367,941	367,941	-
Lighting	1,787,553	1,672,749	-	205,000	-	90,196	90,196	-
Total business type activities	<u>50,657,912</u>	<u>41,085,589</u>	<u>2,573,136</u>	<u>5,922,432</u>	<u>-</u>	<u>(1,076,755)</u>	<u>(1,076,755)</u>	<u>-</u>
Total primary government	<u>\$ 337,389,556</u>	<u>\$ 72,115,990</u>	<u>\$ 113,044,339</u>	<u>\$ 38,553,942</u>	<u>(112,598,530)</u>	<u>(1,076,755)</u>	<u>(113,675,285)</u>	<u>-</u>
Component unit:								
Workforce Investment Council of Clackamas County, Inc.	<u>\$ 3,641,511</u>	<u>\$ -</u>	<u>\$ 3,644,136</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,625</u>
GENERAL REVENUES								
Property taxes levied for:								
General purposes					86,209,854	-	86,209,854	-
Public protection					12,990,053	-	12,990,053	-
Culture and recreation					4,914,473	-	4,914,473	-
Redevelopment districts					11,493,853	-	11,493,853	-
Library debt service					120,112	-	120,112	-
Other taxes not restricted to specific programs					4,849,472	-	4,849,472	-
Gain on disposal of assets					264,644	-	264,644	-
Earnings on investments					4,448,353	1,308,965	5,757,318	-
Miscellaneous					1,389,387	1,343,190	2,732,577	-
Total general revenues					<u>126,680,201</u>	<u>2,652,155</u>	<u>129,332,356</u>	<u>-</u>
CHANGE IN NET ASSETS					<u>14,081,671</u>	<u>1,575,400</u>	<u>15,657,071</u>	<u>2,625</u>
NET ASSETS, July 1, 2008, as previously reported					<u>789,738,562</u>	<u>218,740,104</u>	<u>1,008,478,666</u>	<u>19,646</u>
RESTATEMENT					<u>312,595</u>	<u>-</u>	<u>312,595</u>	<u>-</u>
NET ASSETS, July 1, 2008, as restated					<u>790,051,157</u>	<u>218,740,104</u>	<u>1,008,791,261</u>	<u>19,646</u>
NET ASSETS, June 30, 2009					<u>\$ 804,132,828</u>	<u>\$ 220,315,504</u>	<u>\$ 1,024,448,332</u>	<u>\$ 22,271</u>

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

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2009

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	General Fund	Community Health Fund	Sheriff Operations Fund	DTD Capital Projects Fund	Non-Major Funds	Totals
ASSETS:						
Cash and investments	\$ 15,822,598	\$ 5,622,921	\$ 5,615,574	\$ 26,633,284	\$ 119,355,571	\$ 173,049,948
Restricted cash	-	-	-	-	4,000,000	4,000,000
Taxes receivable	5,547,700	-	-	-	1,828,510	7,376,210
Accounts receivable	508,320	8,245,299	58,163	106,440	1,141,849	10,060,071
Assessments receivable	-	-	-	-	851,737	851,737
Grants receivable	916,321	1,482,530	583,736	121,962	7,920,442	11,024,991
Notes and contracts receivable	-	-	-	-	8,229,959	8,229,959
Due from other funds	3,140,793	464,866	816,842	1,569,019	8,391,061	14,382,581
Land held for resale	-	-	-	263,097	12,370,848	12,633,945
Other assets	20,711	149	31,054	425	648,693	701,032
Interfund loan receivable	112,870	-	-	-	1,078,886	1,191,756
TOTAL ASSETS	\$ 26,069,313	\$ 15,815,765	\$ 7,105,369	\$ 28,694,227	\$ 165,817,556	\$ 243,502,230
LIABILITIES AND FUND BALANCES						
Liabilities:						
Book overdraft	\$ -	\$ -	\$ -	\$ -	10,719,273	10,719,273
Accounts payable	1,476,539	2,932,350	578,427	3,709,298	7,544,969	16,241,583
Accrued payroll	2,642,873	1,085,859	2,166,362	-	3,255,654	9,150,748
Due to other funds	2,199,276	124,269	686,458	2,535,753	9,105,821	14,651,577
Deposits	60,896	2,979	-	-	707,818	771,693
Deferred revenue	5,592,447	10,093,816	2,277	21,640,434	26,139,397	63,468,371
Other liabilities	-	-	-	538,803	313,243	852,046
Interfund loans payable	-	-	-	-	527,075	527,075
TOTAL LIABILITIES	11,972,031	14,239,273	3,433,524	28,424,288	58,313,250	116,382,366
Fund balances:						
Reserved for land held for resale	-	-	-	263,097	12,370,848	12,633,945
Reserved for loan receivable	112,870	-	-	-	1,078,886	1,191,756
Unreserved	13,984,412	1,576,492	3,671,845	6,842	-	19,239,591
Unreserved reported in non-major funds:						
Special revenue funds	-	-	-	-	40,392,582	40,392,582
Debt service funds	-	-	-	-	36,427,539	36,427,539
Capital project funds	-	-	-	-	17,234,451	17,234,451
TOTAL FUND BALANCES	14,097,282	1,576,492	3,671,845	269,939	107,504,306	127,119,864
	\$ 26,069,313	\$ 15,815,765	\$ 7,105,369	\$ 28,694,227	\$ 165,817,556	\$ 243,502,230

CLACKAMAS COUNTY, OREGON

RECONCILIATION OF STATEMENT OF GOVERNMENTAL FUND
BALANCE SHEET TO STATEMENT OF NET ASSETS**DRAFT**

JUNE 30, 2009

TOTAL FUND BALANCE		\$ 127,119,864
Total net assets shown in the Statement of Net Assets are different because:		
Capital assets are not financial resources for budgetary purposes and therefore are not reported in the governmental funds.		782,334,391
A portion of the County's receivables are collected after year-end but they are not collected soon enough to be available as financial resources for the current year. The revenues related to these receivables are deferred and not reported in the governmental funds.		22,402,249
Compensated absences not payable in the current year are not recorded as governmental fund liabilities		(6,643,614)
Other postemployment benefits are not recognized as a governmental fund liability		(8,379,898)
Long-term assets, such as bond discount and issuance costs, are not reported as governmental fund assets and liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expense when it is due. These long-term assets and liabilities consist of:		
Bond discount and issuance costs	\$ 738,744	
Accrued interest payable	(469,831)	
Bonds payable, net of bond premium	(109,984,958)	
Contracts, notes, and loans payable	(17,954,578)	
Total		(127,670,623)
Internal service funds are used by management to charge the costs of insurance, facilities management, risk management, and other services to individual funds. Their assets and liabilities are included in the Statement of Net Assets.		<u>14,970,459</u>
TOTAL NET ASSETS		<u><u>\$ 804,132,828</u></u>

CLACKAMAS COUNTY, OREGON

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009**DRAFT**

	General Fund	Community Health Fund	Sheriff Operations Fund	DTD Capital Projects Fund	Non-Major Funds	Totals
REVENUES:						
Property taxes	\$ 85,059,858	\$ -	\$ -	\$ -	\$ 29,190,931	\$ 114,250,789
Other taxes	2,192,316	-	-	-	2,657,156	4,849,472
Licenses and permits	1,418,784	764,290	159,322	-	9,513,217	11,855,613
Fines, forfeitures, and penalties	622,647	20,622	34,971	-	999,281	1,677,521
Special assessment collections	-	-	-	-	148,856	148,856
Interest	609,105	108,524	11,512	-	3,511,199	4,240,340
Intergovernmental	10,391,463	22,905,004	7,507,892	11,552,110	78,750,732	131,107,201
Charges for services	13,542,203	8,208,510	1,990,188	520,706	17,908,321	42,169,928
Grants	-	-	-	-	573,421	573,421
Contributions	-	16,609	32,850	-	203,941	253,400
Miscellaneous	15,676,793	441,435	4,562,433	-	3,349,514	24,030,175
TOTAL REVENUES	129,513,169	32,464,994	14,299,168	12,072,816	146,806,569	335,156,716
EXPENDITURES:						
Current:						
General government	46,950,520	-	-	-	9,543,496	56,494,016
Public protection	-	-	54,866,072	-	40,163,456	95,029,528
Public ways and facilities	-	-	-	1,842,536	28,598,516	30,441,052
Health and sanitation	-	38,193,887	-	-	39,210,588	77,404,475
Economic development	-	-	-	-	19,485,414	19,485,414
Culture and recreation	1,904,561	-	-	-	13,842,603	15,747,164
Education	-	-	-	-	7,754,360	7,754,360
Debt service:						
Principal	-	-	-	-	9,458,139	9,458,139
Interest and fiscal charges	-	-	-	-	5,698,873	5,698,873
Capital outlay	771,230	24,000	274,254	27,660,427	28,907,815	57,637,726
TOTAL EXPENDITURES	49,626,311	38,217,887	55,140,326	29,502,963	202,663,260	375,150,747
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	79,886,858	(5,752,893)	(40,841,158)	(17,430,147)	(55,856,691)	(39,994,031)
OTHER FINANCING SOURCES (USES):						
Loan proceeds	-	-	-	-	5,000,000	5,000,000
Proceeds from sale of capital assets	-	-	-	-	1,098,845	1,098,845
Loss on disposal of land held for resale	-	-	-	-	(977,164)	(977,164)
Transfers in	1,554,540	3,187,461	41,814,002	17,405,374	53,617,469	117,578,846
Interagency transfer in	-	-	-	-	2,000,000	2,000,000
Transfers out	(82,223,974)	-	(378,565)	-	(36,235,778)	(118,838,317)
Interagency transfer out	(2,000,000)	-	-	-	-	(2,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	(82,669,434)	3,187,461	41,435,437	17,405,374	24,503,372	3,862,210
NET CHANGE IN FUND BALANCES	(2,782,576)	(2,565,432)	594,279	(24,773)	(31,353,319)	(36,131,821)
FUND BALANCES, July 1, 2008 as previously reported	17,982,191	3,787,168	3,077,566	294,712	141,250,780	166,392,417
RESTATEMENT	(1,102,333)	354,756	-	-	(2,393,155)	(3,140,732)
FUND BALANCES, July 1, 2008 as restated	16,879,858	4,141,924	3,077,566	294,712	138,857,625	163,251,685
FUND BALANCES, June 30, 2009	\$ 14,097,282	\$ 1,576,492	\$ 3,671,845	\$ 269,939	\$ 107,504,306	\$ 127,119,864

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

CLACKAMAS COUNTY, OREGON
 RECONCILIATION OF STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
 FUNDS TO STATEMENT OF ACTIVITY
 FOR THE YEAR ENDED JUNE 30, 2009

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NET CHANGE IN FUND BALANCES		\$(36,131,821)
The change in net assets reported in the Statement of Activities is different because:		
Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is capitalized. Their value is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 63,804,610	
Depreciation	<u>(21,577,821)</u>	42,226,789/
Disposals of capital assets		(272,329)
Long-term debt principal payments are recorded as expenditures in the governmental funds and issuance of long-term debt is recorded as an other financing source. In the Statement of Activities issuance of long-term debt reduces net assets and the payment of long-term debt principal increases net assets.		
Payment of long-term debt principal		8,263,769
Bond premium		11,821
Cost of issuing new debt is recorded as an expenditure in the governmental funds but is capitalized and amortized over the life of the bonds in the Statement of Activities.		
Issuance costs	100,714	
Amortization	<u>(33,443)</u>	67,271/
Capital lease and contract principal payments are recorded as expenditures in the governmental funds and issuance of capital leases and contracts are recorded as an other financing source. In the Statement of Activities issuance of capital leases and contracts reduces net assets and the payment of capital lease and contract principal increases net assets.		
Issuance of loans and contracts payables		(5,000,000)
Payment of capital lease and contract principal		1,088,993
In the Statement of Activities interest expense is accrued on long-term debt. In the governmental funds interest expense is only recognized when it is due.		
		70,240
Receivables that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities they are recognized as revenue when levied or earned.		
		6,084,505
Compensated absences are recognized as expenditures in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as expenses when they are earned.		
		(996,929)
OPEB expense not recognized on the governmental fund statements		
General government expense	(671,973)	
Public protection expense	<u>(1,020,278)</u>	(1,692,251)/
Internal service funds are used by management to charge the costs of insurance, facilities management, risk management, and other services to individual funds. The net income of internal service funds is reported as a governmental activity.		
		<u>361,613</u>
CHANGE IN NET ASSETS		<u>\$ 14,081,671/</u>

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

CLACKAMAS COUNTY, OREGON

MAR/19/2010

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2009

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	Business Type Activities - Enterprise Funds						Governmental Type Activities	
	Clackamas County Service District No. 1	Clackamas County Service District No. 5	Tri-City Service District	Surface Water Management Agency of Clackamas County	Housing Authority of Clackamas County	Stone Creek Golf Course Fund	Totals	Internal Service Funds
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 19,558,908	\$ 1,142,009	\$ 10,682,689	\$ 212,247	\$ 1,047,739	\$ 320,299	\$ 32,963,891	\$ 14,532,990
Cash with fiscal agent	-	-	-	-	231,071	-	231,071	-
Investments	15,198,520	-	-	-	4,471,290	-	19,669,810	-
Accounts receivable, net	2,215,182	-	841,239	13,052	162,392	-	3,231,865	145,079
Grants receivable	-	-	-	-	-	-	-	90,854
Taxes receivable	-	-	2,156	-	-	-	2,156	-
Assessments receivable	59,207	108,588	-	-	-	-	167,795	-
Due from other funds	20,766	-	-	-	-	-	20,766	2,159,099
Other assets	54,679	-	1,477	-	113,881	-	170,017	135,706
Total current assets	37,107,262	1,250,597	11,527,561	225,299	6,026,353	320,299	56,457,374	17,063,728
Restricted current assets:								
Cash	4,501,486	-	54,197	-	934,120	-	5,489,803	-
Investments	-	-	-	-	1,284,800	-	1,284,800	-
Investments with fiscal agent	-	-	-	-	1,270,368	-	1,270,368	-
Total restricted current assets	4,501,486	-	54,197	-	3,489,288	-	8,044,971	-
Total current assets	41,608,748	1,250,597	11,581,758	225,299	9,515,641	320,299	64,502,342	17,063,728
Noncurrent assets:								
Connection charges receivable	55,666	-	-	-	-	-	55,666	-
Assessments receivable	1,085,792	-	-	-	-	-	1,085,792	-
Contracts receivable	45,038	-	-	-	-	-	45,038	-
Capital assets, net	151,563,233	1,348,823	42,637,522	83,698	19,438,471	7,325,149	222,396,896	6,157,949
Intangible assets, net	641,284	-	187,625	-	-	-	828,909	-
Unamortized bond discount and issuance cost	694,735	-	-	-	219,462	18,778	932,975	-
Total noncurrent assets	154,085,748	1,348,823	42,825,147	83,698	19,657,933	7,343,927	225,345,276	6,157,949
TOTAL ASSETS	195,694,496	2,599,420	54,406,905	308,997	29,173,574	7,664,226	289,847,618	23,221,677
LIABILITIES								
Current liabilities:								
Accounts and claims payable	2,420,055	86,685	348,397	22,755	298,657	20,000	3,196,549	5,752,579
Accrued payroll	419,289	-	-	-	-	-	419,289	725,359
Due to other funds	1,023,709	23,396	-	-	-	755	1,047,860	863,009
Compensated absences	-	-	-	-	149,537	-	149,537	476,434
Other postemployment benefits	-	-	-	-	-	-	-	345,925
Deposits	-	-	-	-	143,278	-	143,278	-
Accrued interest payable	528,237	-	6,757	-	-	73,321	608,315	-
Deferred revenue	330,272	-	-	-	15,976	-	346,248	-
Other	-	-	-	-	766,728	-	766,728	-
Current portion of long-term debt:								
Bonds payable	1,362,689	-	-	-	290,000	255,000	1,907,689	-
Contracts, notes and loans payable	172,379	-	42,965	-	35,303	-	250,647	-
Total current liabilities	6,256,630	110,081	398,119	22,755	1,699,479	349,076	8,838,140	8,163,306
Noncurrent liabilities:								
Compensated absences	-	-	-	-	49,845	-	49,845	87,912
Bonds payable	44,644,286	-	-	-	8,437,653	4,894,074	57,976,013	-
Contracts, notes and loans payable	975,393	-	296,584	-	638,206	-	1,910,183	-
Other	-	-	-	-	95,252	-	95,252	-
Interfund loan payable	-	-	-	-	664,681	-	664,681	-
Total noncurrent liabilities	45,619,679	-	296,584	-	9,885,637	4,894,074	60,695,974	87,912
TOTAL LIABILITIES	51,876,309	110,081	694,703	22,755	11,585,116	5,243,150	69,532,114	8,251,218
NET ASSETS								
Invested in capital assets, net of related debt	128,618,509	1,348,823	42,485,598	83,698	9,372,628	2,176,075	184,085,331	6,157,949
Restricted for debt service	3,973,250	-	54,197	-	2,794,803	-	6,822,250	-
Unreserved	11,226,428	1,140,516	11,172,407	202,544	5,421,027	245,001	29,407,923	8,812,510
TOTAL NET ASSETS	\$ 143,818,187	\$ 2,489,339	\$ 53,712,202	\$ 286,242	\$ 17,588,458	\$ 2,421,076	\$ 220,315,504	\$ 14,970,459

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

CLACKAMAS COUNTY, OREGON
PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Business Type Activities - Enterprise Funds						Totals	Governmental Type Activities
	Surface Water			Housing				
	Clackamas County District No. 1	Clackamas County Service District No. 5	Tri-City Service District	Management Agency of Clackamas County	Authority of Clackamas County	Stone Creek Golf Course Fund		
OPERATING REVENUES:								
Charges for services	\$ 17,244,044	\$ 1,672,749	\$ 4,740,305	\$ 157,332	\$ 14,491,172	\$ 2,779,987	\$ 41,085,569	\$ 32,427,361
Intergovernmental revenue					2,573,136		2,573,136	2,305,855
Other	970,295		56,333	8,967	379,965		1,415,560	443,050
TOTAL OPERATING REVENUES	18,214,339	1,672,749	4,796,638	166,299	17,444,273	2,779,987	45,074,285	35,176,266
OPERATING EXPENSES:								
Claims	7,062,707		2,059,637				9,184,018	6,917,076
Labor and Fringe benefits	683,632	1,528,656	711,955	61,674	580,310		3,505,190	14,361,533
Utilities	906,372		685,573	2,088	2,520,156		4,114,189	13,725,765
Supplies	1,413,120		359,021	21,123	150,620	2,096,093	4,039,977	
Professional services	379,973		478,448	69,930		22,061	950,412	
Other operating expenses	1,902,299	162,996			3,085,003		5,150,298	
Administrative expenses					10,205,873		10,205,873	
Housing assistance	5,187,758	95,901	2,183,526	2,288	1,691,431	71,573	9,232,457	1,377,062
Depreciation and amortization	17,535,861	1,787,553	6,478,160	157,720	18,233,393	2,189,727	46,382,414	36,381,436
TOTAL OPERATING EXPENSES	678,478	(114,804)	(1,681,522)	8,579	(789,120)	590,260	(1,308,129)	(1,205,170)
OPERATING INCOME (LOSS)	848,728	22,573	228,743	4,631	198,919	5,371	1,308,955	314,213
NONOPERATING INCOME (EXPENSE):								
Interest income	(355,661)		(15,731)		(580,959)	(222,319)	(1,174,670)	
Interest expense	(3,083,650)		(17,178)				(3,100,828)	(6,901)
Loss on disposal of capital assets	(73,870)		1,500				(72,370)	
Other	(2,664,453)	22,573	197,334	4,631	(382,040)	(216,948)	(3,038,903)	307,312
TOTAL NONOPERATING INCOME (EXPENSE)	(1,985,975)	(92,231)	(1,484,188)	13,210	(1,171,160)	373,312	(4,347,032)	358
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	5,296,833	205,000	386,182	-	34,417	-	5,922,432	011
Contributions								(540)
Transfers in								
Transfers out								
CHANGE IN NET ASSETS	3,310,858	112,769	(1,098,006)	13,210	(1,136,743)	373,312	1,575,400	613
NET ASSETS, June 30, 2008	140,507,329	2,376,570	54,810,208	273,032	18,725,201	2,047,764	218,740,104	846
NET ASSETS, June 30, 2009	\$ 143,818,187	\$ 2,489,339	\$ 53,712,202	\$ 286,242	\$ 17,588,458	\$ 2,421,076	\$ 220,315,504	459

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

CLACKAMAS COUNTY, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business Type Activities - Enterprise Funds					Totals	Governmental Type Activities
	Clackamas County Service District No. 1	Clackamas County Service District No. 5	Tri-City Service District	Surface Water Management Agency of Clackamas County	Housing Authority of Clackamas County		
\$	-	-	-	-	-	\$ 2,779,987	\$ 31,564,387
Cash received for services	16,664,233	1,649,322	4,510,040	155,881	13,492,830	13,492,830	2,315,143
Cash received from grants	(3,307,340)	(1,528,681)	(1,830,733)	(54,422)	(4,566,043)	(2,080,777)	(6,009,211)
Cash paid for claims and legal fees	(8,260,537)	(206,078)	(2,323,250)	(103,969)	(2,243,600)	(10,208,673)	(12,702,538)
Cash paid to suppliers for goods and services	1,002,829	-	56,333	8,967	379,965	(10,504,137)	(13,955,565)
Cash paid to related entities for services	-	-	-	-	-	1,448,094	-
Cash paid to employees for services	-	-	-	-	-	-	-
Other operating revenue	5,099,165	(85,437)	412,390	6,457	430,490	689,210	1,212,216
NET CASH FROM OPERATING ACTIVITIES						7,562,295	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Principal paid on bonds, contracts and loans payable	(1,010,000)	-	(41,304)	-	(304,859)	(250,000)	(1,606,163)
Interest received on assessments and contracts	50,602	-	-	-	-	50,602	50,602
Interest paid on bonds, contracts and loans payable	127,909	-	(16,552)	-	(571,109)	(224,403)	(684,155)
Assessment and contract principal collected	189,414	-	-	-	-	189,414	189,414
Bonds issued	38,550,085	-	-	-	-	38,550,085	-
Bond issuance costs	(558,208)	-	-	-	-	(558,208)	-
Bond premiums	-	-	-	-	-	1,252	-
Collection of connection charges, grants, and property taxes	-	-	-	-	-	62	-
Capital contributed	-	-	407,348	-	-	407,348	-
Acquisition of capital assets	1,736,210	-	-	-	34,417	1,772,627	-
Payments made on contracts payable	(33,370,365)	-	(1,291,247)	-	(388,452)	(35,050,064)	(2,002,447)
Payments on notes payable	(165,507)	-	-	-	-	(165,507)	-
	(648,047)	-	-	-	-	(648,047)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES						(1,290,003)	(2,002,447)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Transfers from (to) other funds	4,804,073	-	(941,755)	-	(1,290,003)	(473,089)	2,159,226
Book overdraft	-	-	-	-	-	-	1,259,471
	-	-	-	-	-	-	(927,141)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES							332,330
NET CHANGE IN CASH AND CASH EQUIVALENTS							314,213
CASH AND CASH EQUIVALENTS, June 30, 2008							15,852,264
CASH AND CASH EQUIVALENTS, June 30, 2009							(6,007,809)

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	Clackamas County Service District No. 1	Clackamas County Service District No. 5	Tri-City Service District	Surface Water Management Agency of Clackamas County	Housing Authority of Clackamas County	Stone Creek Golf Course Fund	Internal Service Funds
\$	24,060,394	1,142,009	10,736,886	212,247	1,981,859	320,299	38,453,694
\$	19,568,908	1,142,009	10,682,889	212,247	1,047,739	320,299	32,963,891
	4,501,486	-	54,197	-	934,120	-	5,489,803
\$	24,060,394	1,142,009	10,736,886	212,247	1,981,859	320,299	38,453,694

CASH FLOWS FROM OPERATING ACTIVITIES:

- Cash received for services
- Cash received from grants
- Cash received from customers
- Cash paid for claims and legal fees
- Cash paid to suppliers for goods and services
- Cash paid for housing subsidies
- Cash paid to related entities for services
- Cash paid to employees for services
- Other operating revenue

NET CASH FROM OPERATING ACTIVITIES

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

- Principal paid on bonds, contracts and loans payable
- Interest received on assessments and contracts
- Interest paid on bonds, contracts and loans payable
- Assessment and contract principal collected
- Bonds issued
- Bond issuance costs
- Bond premiums
- Collection of connection charges, grants, and property taxes
- Capital contributed
- Acquisition of capital assets
- Payments made on contracts payable
- Payments on notes payable

NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

- Transfers from (to) other funds
- Book overdraft

NET CASH FROM NONCAPITAL FINANCING ACTIVITIES

CASH FLOWS FROM INVESTING ACTIVITIES:

- Interest received on investments
- Proceeds from the sale of investment securities
- Purchases of investments

NET CASH FROM INVESTING ACTIVITIES

NET CHANGE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS, June 30, 2008

CASH AND CASH EQUIVALENTS, June 30, 2009

RECONCILIATION TO THE STATEMENT OF NET ASSETS

- Current assets:
 - Cash and cash equivalents
- Restricted assets:
 - Cash and cash equivalents

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

CLACKAMAS COUNTY, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2009

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	Business Type Activities - Enterprise Funds						Governmental Type Activities
	Clackamas County Service District No. 1	Clackamas County Service District No. 5	Tri-City Service District	Surface Water Management Agency of Clackamas County	Housing Authority of Clackamas County	Stone Creek Golf course Fund	
\$ 678,478	\$ (114,804)	\$ (1,681,522)	\$ 8,579	\$ (789,120)	\$ 590,260	\$ (1,308,129)	\$ (1,205,170)
5,187,758	95,901	2,183,526	2,268	1,691,431	71,573	9,232,457	1,377,062
(585,342)	(23,427)	(230,265)	(1,451)	(11,162)	-	(11,162)	-
5,083	-	645	1,733	11,838	-	(828,647)	22,462
433,456	4,788	140,006	(4,662)	(3,781)	213,939	217,619	(1,404,172)
52,087	-	-	(10)	(580,145)	20,000	13,443	61,447
(6,036)	-	-	-	97,391	-	52,087	927,141
-	-	-	-	(15,660)	-	91,345	124,363
-	-	-	-	23,159	-	(15,660)	345,925
294,050	(47,895)	-	-	-	-	23,159	652,707
39,651	-	-	-	6,539	(206,562)	39,593	216,252
5,420,707	29,367	2,093,912	(2,122)	1,219,610	98,950	8,860,424	2,417,386
\$ 6,099,185	\$ (85,437)	\$ 412,390	\$ 6,457	\$ 430,490	\$ 689,210	\$ 7,552,295	\$ 1,212,216

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES

Operating income (loss)

Adjustments to reconcile operating income (loss) to net cash from operating activities:

- Depreciation and amortization
- Principal payments forgiven on deferred loans
- Changes in assets and liabilities:
- Accounts and other receivables
- Due from other funds
- Other assets
- Book overdraft
- Accounts and claims payable
- Accrued payroll
- Other current liabilities
- Deposits
- Compensated absences
- Due to other funds
- Deferred revenue

Total adjustments

NET CASH FROM OPERATING ACTIVITIES

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

Contributions of capital from governments, developers, and customers

Principal payments forgiven on loans

\$ 3,558,623	\$ 205,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,763,623
\$ -	\$ -	\$ -	\$ -	\$ 11,162	\$ -	\$ -	\$ 11,162

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

CLACKAMAS COUNTY, OREGON

MAR/19/2010

FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2009

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	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and investments	\$ 1,018,565	\$ 8,615,450
Property taxes receivable	-	27,180,188
	<u>1,018,565</u>	<u>35,795,638</u>
Total assets		
LIABILITIES		
Accounts payable	5,118	-
Amounts held in trust	-	35,795,638
	<u>5,118</u>	<u>35,795,638</u>
Total liabilities		
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 1,013,447</u>	<u>\$ -</u>

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

CLACKAMAS COUNTY, OREGON

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PENSION TRUST FUND

STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

DRAFT

ADDITIONS:

Contributions	\$ 865,300
Miscellaneous income	<u>25,259</u>

TOTAL ADDITIONS

890,559

DEDUCTIONS:

Benefit payments and withdrawals	<u>519,133</u>
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CHANGE IN NET ASSETS

371,426/

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - June 30, 2008

642,021

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - June 30, 2009

\$ 1,013,447/

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

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NOTES TO BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Clackamas County, Oregon (the County) was established in 1843. A Board of County Commissioners (BCC) consisting of five members governs the County under provisions of ORS 203.230, the BCC expanded from three to five County Commissioners as of January 1, 2009.

In evaluating how to define the County, management has considered all potential component units. The decision to include a potential component unit in the County was made by applying the criteria set forth by accounting principles generally accepted in the United States of America (GAAP). As required by the Governmental Accounting Standards Board (GASB) Statement No. 14, the basic financial statements include its blended component units, Clackamas County Development Agency, Clackamas County Enhanced Law Enforcement District, North Clackamas Parks and Recreation District, Clackamas County Service District No.1, Clackamas County Service District No. 5, Tri-City Service District, Surface Water Management Agency of Clackamas County, Housing Authority of Clackamas County, Oregon, and Estacada Area County Service District for Library Services – reported as part of the County, and its discretely presented component unit Workforce Investment Council of Clackamas County (WICCO).

A description and function of the component units are as follows:

Clackamas County Development Agency

Clackamas County Development Agency was organized in December 1977 under the provisions of ORS Chapter 457 as the Urban Renewal Agency of the County responsible for implementing public improvement programs in the vicinity of the Clackamas Town Center Shopping Mall and in other industrial and recreational areas of the County.

Clackamas County Enhanced Law Enforcement District

Clackamas County Enhanced Law Enforcement District (District) was organized under the provisions of ORS Chapter 451 to provide enhanced law enforcement services by contract with the Clackamas County Sheriff. The District is also authorized to construct, maintain, and operate appropriate service facilities to fulfill that purpose.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

North Clackamas Parks and Recreation District

North Clackamas Parks and Recreation District was organized under the provisions of ORS Chapter 451 to acquire, construct and maintain parks and recreation facilities.

Clackamas County Service District No. 1, Clackamas County Service District No. 5, Tri-City Service District and Surface Water Management Agency of Clackamas County:

These component units were organized under the provisions of ORS Chapter 451 to construct and operate sanitary sewer systems, facilities for lighting of streets and highways, and to improve water quality of the Tualatin River in various areas of the County.

Housing Authority of Clackamas County, Oregon (HACC)

HACC was organized under provisions of ORS Chapter 456 to provide low-cost housing to individuals meeting criteria established by the U.S. Department of Housing and Urban Development (HUD). HUD subsidizes operations of HACC.

Estacada Area County Service District for Library Services

Estacada Area County Service District for Library Services was organized under provisions of ORS Chapter 451 to provide financing of capital construction and improvements for library services in that portion of the County located within the boundaries of the Estacada School District and for payment of debt incurred. The District entered into an intergovernmental agreement with the City of Estacada in which the City agreed to maintain and operate the library.

Complete financial statements of the individual blended component units can be obtained from the Clackamas County Finance Department, 2051 Kaen Road, Oregon City, Oregon 97045.

Workforce Investment Council of Clackamas County, Inc.

Workforce Investment Council of Clackamas County, Inc. (WICCO) serves as the administrative entity for workforce grant funds in the County. WICCO programs include services to emerging, transitioning, and incumbent workers to decrease barriers to employment or advancement. A copy of their financial statements and required supplementary information may be obtained by writing to Workforce Investment Council of Clackamas County, Inc., 365 Warner Milne Rd., #202, Oregon City, Oregon 97045.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related Organization

Hospital Facilities Authority of Clackamas County

Hospital Facilities Authority of Clackamas County (Authority) provides financing capability for hospital facilities in the County and other areas of the State of Oregon and is not included in the basic financial statements. Although the BCC appoints the governing officers of the Authority, the County is not financially accountable for the Authority. Resources to pay principal and interest on bonds issued by the Authority are provided by participating hospitals. The County has no budgetary approval authority over the Authority; the Authority has the power to issue bonds for its lawful purposes. Moreover, the County has no obligation to the Authority for its deficits or debts.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the County and its component units. These statements include the financial activities of the overall County, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except for services provided among funds (other than internal service funds). These statements distinguish between the governmental and business-type activities of the County and between the County and its discretely presented component unit. Governmental activities are typically financed through such sources as charges for services, property taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each activity of its governmental programs and the County's business-type activities. Direct expenses are those that are specifically associated with an activity and, therefore, are clearly identifiable to that activity. Indirect expense allocations are included as part of program expenses in the Statement of Activities. Program revenues include fees, fines, and charges paid by the recipients of goods or services and grants and contributions that are restricted to meeting operational or capital requirements. Revenues that are not classified as program revenues, primarily including property taxes and interest earnings, are presented as general revenues.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

Net assets are reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws), or imposed through constitutional provisions or enabling resolutions.

Fund Financial Statements

The fund financial statements provide information about the County's funds including its fiduciary and blended governmental-type component units. Separate statements for each fund category – governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major funds:

- General Fund - This is the County's primary operating fund. It accounts for all revenues and expenditures, except those required to be accounted for in another fund.
- Community Health Fund – This fund accounts for the activities of the County which administers programs to meet the health needs of the community, including matters of mental health services, teen pregnancy, drug and alcohol abuse, prenatal care, and aging and low-income Medicaid patients. Federal and State grants and subsidies fund the bulk of these programs with County General Fund contributions as well as fees for services making up the balance.
- Sheriff Operations Fund – This fund accounts for the Sheriff's Department patrol, investigation, jail operation, and civil processing services in both incorporated and unincorporated areas of the County.
- DTD Capital Projects Fund – This fund accounts for all project related capital outlay within the Department of Transportation and Development, excluding projects which are funded by component units. Projects are predominantly infrastructure in nature and include road network upgrades and capacity improvements.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major primary government proprietary fund:

- Stone Creek Golf Course Fund – The Stone Creek Golf Course Fund accounts for the operation of the County-owned golf course.

In addition the County reports the following fund types:

- Special Revenue Funds – These funds account for revenues derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities.
- Debt Service Funds – These funds account for the payment of principal and interest on urban renewal bonds and general obligation bonds. Revenue is mainly derived from property taxes, charges for services and collections on special assessments levied against property owners.
- Capital Project Funds – These funds account for revenue derived primarily from intergovernmental resources and transfers from other funds designated for the construction of specific projects.

Proprietary:

- Internal Service Funds – These funds account for dental and short-term disability, general liability, workers' compensation and unemployment self-insured programs, employee assistance programs, along with printing, communications, equipment, vehicle and facilities management programs provided to other departments on a cost-reimbursable basis.
- Enterprise Funds – Housing Authority of Clackamas County, Clackamas County Service District No. 1, Tri-City Service District, Clackamas County Service District No. 5, and Surface Water Management Agency of Clackamas County. These funds account for low income housing, sanitary and sewer operations.

Fiduciary:

- Pension Trust Fund – This fund accounts for the accumulation of resources to be used for payments of postemployment benefits. Operations of the plan do not meet the definitions of other post-employment benefits as defined by GASB #45.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- Agency Fund – These funds account for monies held on behalf of school districts, cities and special districts that use the County as a depository and for property taxes collected on behalf of other governments.

Measurement Focus and Basis of Accounting

The government-wide financial statements, including the discretely presented component unit, the Workforce Investment Council of Clackamas County (WICCO), and the proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements are reported on the accrual basis of accounting but do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County receives value without giving equal value in exchange, include grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Accrued interest and note and contract receivables are recognized as earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from long term debt and acquisitions under capital leases are reported as other financing sources.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds' ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

For purposes of proprietary fund financial statements the County follows private-sector standards of accounting and financial reporting issued on or before November 30, 1989, unless those pronouncements conflict with or contradict the guidance of Governmental Accounting Standards Board pronouncements. The County has elected not to follow subsequent private-sector guidance.

Use of Estimates

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

Cash and Investments

The cash balances of substantially all funds and component units are pooled and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. Investments with a remaining maturity of more than one year, at the time of purchase, are stated at amortized cost, which approximates fair value. Fair value is determined by the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Investments in the State Treasurer's Local Government Investment Pool (LGIP) are stated at cost, which approximates fair value and its share value. The individual funds' and component units' portion of the pool's fair value are presented as "Cash and Investments" or "Book Overdraft" in the basic financial statements. Earnings on pooled funds are paid or credited to each fund and component unit monthly based on the average daily balance of each participating fund or component unit.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments (Continued)

The LGIP is administered by the Oregon State Treasury. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

For purposes of the Statement of Cash Flows, cash and cash equivalents include all cash and investments held by the County Treasurer, since it has the general characteristics of a demand deposit (i.e. deposits of additional cash may be made at any time and cash may be withdrawn at any time without prior notice or penalty).

Receivables

All accounts, property taxes, assessments, grants, notes and contracts receivable are shown net of an allowance for uncollectable accounts.

The County levies, collects and distributes real and personal property taxes for all taxing jurisdictions within its boundaries. These taxes become a lien against the property as of July 1 each year and are payable in three installments, following the lien date, on November 15, February 15 and May 15. Discounts are allowed if the amount is paid by November 15 or February 15. Taxes unpaid and outstanding on May 15 are considered delinquent.

Capital Assets

Capital assets which include property, plant and equipment, as well as infrastructure (bridges, roads, and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of more than \$5,000 and an estimated life of one year or more. Land and right of ways with an initial cost of less than \$5,000 are also included as capital assets.

Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for furniture and equipment, real property acquisitions, improvements and infrastructure are recorded as capital outlay or functional expenditures in the governmental funds. Donated assets are recorded at their fair market value at the date of donation.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)YEAR ENDED JUNE 30, 2009**DRAFT****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Capital Assets (Continued)**

Maintenance and repairs of a routine nature are charged to expenses/expenditures as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

• Buildings and improvements	20 to 50 years
• Office equipment	4 to 15 years
• Vehicles	2 to 10 years
• Bridges	50 years
• Roads	20 years
• Drainage systems	25 years
• Street lighting poles	20 years
• Sewerage treatment plant and line system	20 to 50 years

Office equipment and vehicles of the County are estimated to have a salvage value of 10% of the assets' original cost.

WICCO capitalizes property and equipment with a cost of \$500 or more at historical cost. Donated equipment is recorded at its fair market value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 years.

Land Held for Resale

Excess land acquired in connection with urban development projects and held for resale, real property acquired for the purpose of sale to other governmental units and real property held for future parks and recreation are recorded at cost.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability and expenditure for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Payments of compensated absences are made by the General Fund and various internal service funds. A portion of the balance of compensated absences, generally utilized within one year, is reported in the Statement of Net Assets as current. The remaining balance is classified as long-term.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)YEAR ENDED JUNE 30, 2009**DRAFT****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Long-term Debt**

In the government-wide financial statements, long-term debt is reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, bond premiums and discounts are recognized as other financing sources (uses) as offsets to the bond sale proceeds when incurred. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension Plan

Substantially all of the County's employees are participants in the Oregon Public Employees Retirement Fund (OPERF), a statewide agent multiple-employer defined benefit pension plan. Contributions to OPERF are made on a current basis as required by the plan and are charged to expenses/expenditures.

Other Post-Employment Benefits (OPEB) Obligations

The County's net OPEB Obligation is recognized as a liability and ARC (annual required contribution) is expensed, as determined by the County's actuary, in the government-wide financial statements and proprietary fund financial statements.

Self-Insurance

The County is exposed to various risks of loss up to various policy deductible amounts related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. Amounts are paid to the Internal Service Fund by all other funds and blended component units to pay premiums, claims, claim reserves, and administrative costs of the program.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Self-Insurance (Continued)

The County is fully self-insured for unemployment benefits and short-term disability benefits and partially self-insured for dental benefits, workers' compensation and general liability claims. General liability claims are limited by State statute to \$500,000 per occurrence. The County carries coverage in excess of \$1,000,000 with an outside insurer for workers' compensation claims. There have been no significant reductions in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years. The County provides for estimated losses to be incurred for reported and unreported general liability claims, workers' compensation and unemployment claims based on individual case estimates and historical data adjusted for current trends.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. In the Statement of Net Assets, governmental and business-type activities report restrictions of Net Assets for amounts that are legally restricted by outside parties for use for a specific purpose.

Budget

The County is required by state law to budget substantially all funds. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Appropriations are established at the department level for the General Fund, Road Fund, Business and Development Fund, Planning Fund, and Sheriff Operations Fund and at the principal object level for other funds - personal services, materials and services, capital outlay, debt service, transfers to other funds and operating contingency - which are the levels of control established by the resolution.

The detail budget document, however, is required to contain more specific, detailed information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. The Board of County Commissioners at a regular Board meeting may adopt supplemental budgets of less than 10% of the fund's original budget. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget (Continued)

appropriation transfers between the levels of control with approval by the Board. The Board adopted six supplemental budgets during the year. Appropriations lapse as of fiscal year-end.

The following table summarizes the County's over-expenditure of appropriations in major funds for the year ended June 30, 2009:

General Fund		
County administration	\$	4,352
County Counsel		19,443
Transfers out		1,442,861
Sheriff Operations Fund		
Law Enforcement District		97,708

2. CASH AND INVESTMENTS

Cash and investments are comprised of the following:

Deposits with financial institutions:		
Demand deposits	\$	12,240,453
Money Market		23,085,905
Certificates of Deposit		18,240,411
Deposits with fiscal agent		1,501,439
Investments		196,339,214
	\$	<u>251,407,422</u>

Cash and investments are reflected in the basic financial statements as follows:

Cash and Investments - governmental activities	\$	180,863,664
Cash and investments - business-type activities		60,909,743
Statement of Fiduciary Net Assets		9,634,015
	\$	<u>251,407,422</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

2. CASH AND INVESTMENTS (Continued)

The County is restricted by State of Oregon statutes in the types of investments in which it may invest. Authorized investments include general obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, certain corporate indebtedness, bank repurchase agreements, and the State Treasurer's Local Government Investment Pool. As of June 30, 2009, and for the year then ended, the County was in compliance with the aforementioned State of Oregon statutes.

Cash for WICCO at June 30, 2009 consisted of demand deposits with financial institutions in the amount of \$15,521, which were covered by federal depository insurance.

Deposits

At year end, the carrying amount of the County's deposits with financial institutions was \$53,566,769 and the bank balance was \$54,921,507. Insurance and collateral requirements for deposits are established by banking regulations and Oregon law. All demand deposits are held in financial institutions participating in the FDIC's Transaction Account Guarantee Program (TAGP). Under that program, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Of the bank balance, \$1,940,000 was covered by federal depository insurance; \$12,675,278 was covered by the TAGP and \$40,306,229 was covered by the multiple financial institution collateral pool (ORS 295.015) administered by the Oregon Office of the Treasurer.

Investments

Investments at June 30, 2009 are comprised of the following:

U.S. Government Agency obligations, effective yield 2.56% to 5.37%	\$ 95,697,762
State of Oregon Local Government Investment Pool	100,641,452
	<u>\$ 196,339,214</u>

Interest Rate Risk

As a means to limit exposure to fair value loss arising from interest rates, the County's investment policy requires structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, investing operating funds primarily in shorter-term securities or short-term investment pools, and by diversifying the portfolio by maturity dates to mitigate the impact of reinvestment risk.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

2. CASH AND INVESTMENTS (Continued)

Interest Rate Risk (Continued)

Investment maturity limitations for the County's investments are as follows:

<u>Maturity</u>	<u>Policy</u>	<u>Actual</u>
Less than 90 days	Minimum of 25%	58.0 %
Less than 12 months	No Limit	66.0
12 months to 24 months	Maximum of 40%	24.0
24 months to 36 months	Maximum of 30%	10.0

Credit Risk

Oregon Revised Statutes limit the types of investments that the County may have. The County is in compliance with these statutes at June 30, 2009. The County is also in compliance with its investment policy which requires the County to limit exposure to credit risk, concentrating its investments in the safest types of securities, diversifying the investment portfolio so that potential losses on individual securities will be minimized, actively monitoring the investment portfolio holdings for ratings changes, changing economic or market conditions, and pre-qualifying the financial institutions with which the County will do business.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally statistical rating organization.

The State of Oregon Local Government Investment Pool is unrated. Approximately \$46 million of U.S. Government Agency obligations are rated AAA and the remainder are unrated.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the government will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The County's Investment Policy requires that broker/dealers meet certain qualifications and that investments are delivered to and held by a third-party custodian, which holds the securities in Clackamas County's name. Certificates of deposit (CDs) are not exposed to custodial credit risk.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

2. CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Clackamas County Investment Policy, which limits the amount invested in any one issuer, as a percentage of total investments, is 50% for U.S. Agency securities and 25% for certificates of deposit. On June 30, 2009, the County did not hold any investments with any one issuer that exceeded these limits.

3. ASSESSMENTS RECEIVABLE

Assessments receivable, net of an allowance, represent uncollected amounts levied against benefited property for the cost of local improvements and are considered to be a lien on the property until paid. Substantially all assessments are collectible over a period of ten to twenty years and bear interest from 6.25% to 6.5%.

4. LAND HELD FOR RESALE

Land held for resale activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008 (As previously reported)	Restatement	Balance July 1, 2008 (As restated)	Increases (Decreases)	Balance June 30, 2009
Land held for resale	\$ 12,976,941	\$ 634,168	\$ 13,611,109	\$ (977,164)	\$ 12,633,945

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance June 30, 2008	Increases	Decreases	Transfers	Balance June 30, 2009
Governmental activities:					
Capital assets not being depreciated:					
Land and improvements	\$ 29,793,628	\$ 4,808,498	\$ -	\$ 754,711	\$ 35,356,837
Land - rights of way	324,256,092	2,492,526	-	-	326,748,618
Construction in progress	93,283,140	47,988,099	-	(68,039,638)	73,231,601
Total capital assets not being depreciated	<u>447,332,860</u>	<u>55,289,123</u>	<u>-</u>	<u>(67,284,927)</u>	<u>435,337,056</u>
Capital assets being depreciated:					
Buildings and improvements	109,967,118	1,261,557	(12,940)	52,534,092	163,749,827
Equipment	24,585,724	1,643,313	(149,303)	1,238,187	27,317,921
Vehicles	32,893,544	3,097,339	(1,983,440)	-	34,007,443
Infrastructure	342,598,398	4,515,723	-	13,512,648	360,626,769
Total capital assets being depreciated	<u>510,044,784</u>	<u>10,517,932</u>	<u>(2,145,683)</u>	<u>67,284,927</u>	<u>585,701,960</u>
Less accumulated depreciation for:					
Buildings and improvements	(31,498,872)	(4,308,013)	6,674	-	(35,800,211)
Equipment	(16,301,752)	(1,889,693)	137,375	-	(18,054,070)
Vehicles	(22,262,131)	(2,156,211)	1,729,305	-	(22,689,037)
Infrastructure	(141,402,392)	(14,600,966)	-	-	(156,003,358)
Total accumulated depreciation	<u>(211,465,147)</u>	<u>(22,954,883)</u>	<u>1,873,354</u>	<u>-</u>	<u>(232,546,676)</u>
Total capital assets being depreciated, net	<u>298,579,637</u>	<u>(12,436,951)</u>	<u>(272,329)</u>	<u>67,284,927</u>	<u>353,155,284</u>
Total capital assets, net	<u>\$ 745,912,497</u>	<u>\$ 42,852,172</u>	<u>\$ (272,329)</u>	<u>\$ -</u>	<u>\$ 788,492,340</u>

	Balance June 30, 2008	Increases	Decreases	Transfers	Balance June 30, 2009
Business-type activities:					
Capital assets not being depreciated:					
Land and easements	\$ 16,095,143	\$ 911,595	\$ -	\$ 586	\$ 17,007,324
Construction in progress	20,200,582	34,846,262	(3,285,458)	(16,313,189)	35,448,197
Total capital assets not being depreciated	<u>36,295,725</u>	<u>35,757,857</u>	<u>(3,285,458)</u>	<u>(16,312,603)</u>	<u>52,455,521</u>
Capital assets being depreciated:					
Buildings and improvements	44,207,162	294,127	-	853,651	45,354,940
Equipment and vehicles	9,963,058	94,325	(40,723)	900,670	10,917,330
Street lighting poles	1,927,983	205,000	-	-	2,132,983
Plants and line system	231,476,767	2,647,028	-	14,558,282	248,682,077
Total capital assets being depreciated	<u>287,574,970</u>	<u>3,240,480</u>	<u>(40,723)</u>	<u>16,312,603</u>	<u>307,087,330</u>
Less accumulated depreciation for:					
Buildings and improvements	(28,696,597)	(1,586,321)	-	-	(30,282,918)
Equipment and vehicles	(8,371,712)	(325,565)	40,723	-	(8,656,554)
Street lighting poles	(688,258)	(95,901)	-	-	(784,159)
Plants and line system	(90,430,646)	(6,991,680)	-	-	(97,422,326)
Total accumulated depreciation	<u>(128,187,213)</u>	<u>(8,999,467)</u>	<u>40,723</u>	<u>-</u>	<u>(137,145,957)</u>
Total capital assets being depreciated, net	<u>159,387,757</u>	<u>(5,758,987)</u>	<u>-</u>	<u>16,312,603</u>	<u>169,941,373</u>
Total capital assets, net	<u>\$ 195,683,482</u>	<u>\$ 29,998,870</u>	<u>\$ (3,285,458)</u>	<u>\$ -</u>	<u>\$ 222,396,894</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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5. CAPITAL ASSETS (Continued)

Depreciation expense was charged as follows:

Governmental Activities:	
General Government	\$ 1,693,838
Public Protection	449,764
Public Ways and Facilities	15,730,617
Health and Sanitation	100,933
Culture and Recreation	1,154,726
Economic Development	3,809,700
Education	15,305
	<hr/>
	\$ 22,954,883
Business-type Activities:	
Sanitary Sewer and Surface Water	\$ 7,153,103
Housing Assistance	1,678,890
Golf	71,573
Street Lighting	95,901
	<hr/>
	\$ 8,999,467

At June 30, 2009, WICCO had property and equipment with a net value of \$15,361. Depreciation expense for the year ended June 30, 2009 was \$4,232.

6. SELF-INSURANCE CLAIMS PAYABLE

The County is self-insured for unemployment benefits and short-term disability benefits and partially self-insured for dental benefits, workers' compensation and general liability claims. The claims liability of \$4,498,226 includes the effects of specific, incremental claim adjustment expenses/expenditures, salvage, and subrogation and other allocated or unallocated claim adjustment expenses/expenditures, if any.

The General Fund, essentially all major and non-major funds, and all component units participate in the self-insurance program. The participating funds and component units make payments to the self-insurance internal service funds based on historical cost information estimates of the amounts needed to pay prior year and current year claims.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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6. SELF-INSURANCE CLAIMS PAYABLE (Continued)

Changes in the total claims liability amount in fiscal 2007, 2008 and 2009 are as follows:

June 30,	Liability	Estimates	Payments	Liability
2007	\$ 2,205,776	\$ 3,013,352	\$ 2,920,860	\$ 2,298,268
2008	2,298,268	4,795,957	3,313,027	3,781,198
2009	3,781,198	3,846,935	3,129,907	4,498,226

This June 30, 2009 balance is included in the Statement of Net Assets in accounts and claims payable.

7. COMPENSATED ABSENCES

Compensated absences activity for the year ended June 30, 2009 was as follows:

	Governmental Activities	Business-type Activities
Balance July 1, 2008	\$ 8,269,210	\$ 176,223
Additions	5,191,247	149,996
Payments	(6,252,497)	(126,837)
Balance June 30, 2009	<u>\$ 7,207,960</u>	<u>\$ 199,382</u>
Reported on Statement of Net Assets as follows:		
Current portion	<u>\$ 6,123,506</u>	<u>\$ 149,537</u>
Long-term portion	<u>\$ 1,084,454</u>	<u>\$ 49,845</u>

8. LONG-TERM DEBT

Bonds Payable

The County and its component units have issued refunding bonds, to refund previously issued bonds with a higher interest rate, and Bancroft Improvement Bonds to construct certain infrastructure improvements. The refunding bonds will be paid from general property tax revenues and the Bancroft Improvement Bonds from assessments paid by the affected property owners. Should the property owners be unable to pay their assessments to retire the bonds the County and its component units may levy general property taxes to provide for the repayment. Full faith and credit obligations were issued in 2007 to construct the Development Services Building and the obligation will be paid from general property tax revenues. In 2007 the Clackamas County Development Agency issued urban renewal bonds to fund

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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8. LONG-TERM DEBT (Continued)

Bonds Payable

the County's share of construction costs for the I-205 Light Rail line and the obligation will be paid from tax increment revenues. In 2008 the North Clackamas Park and Recreation District (NCPRD) issued full faith and credit bonds to finance the construction of Rock Creek Park and the obligation will be paid from general NCPRD property tax revenues.

Bonds payable transactions for the year are as follows:

	Original Amount	Outstanding June 30, 2008	Decreases	Outstanding June 30, 2009	Principal Due Within One Year
Governmental activities:					
North Clackamas Parks and Recreation District Limited					
Tax Revenue Refunding Series 2000; interest 5.05%-6%	\$ 8,560,000	\$ 6,380,000	\$ 385,000	\$ 5,975,000	\$ 405,000
General Obligation Bancroft Improvement Bonds					
2003 Issue; interest 3.5%-4.25%	17,820,000	17,315,000	180,000	17,135,000	205,000
Full Faith and Credit Obligation Bancroft Limited Tax					
Assessment Bonds 2000 Issue; interest 5.10%-6.5%	5,143,000	1,400,000	-	1,400,000	-
Full Faith and Credit Obligation Bonds 2004 Issue;					
interest 4.1%-4.75%	5,040,000	4,325,000	195,000	4,130,000	200,000
Full Faith and Credit Obligation Bonds 2007 Issue;					
interest 4.0%-5.0%	49,990,000	48,775,000	1,750,000	47,025,000	1,815,000
Clackamas County Development Agency Urban Renewal					
Bonds 2007 Issue; interest 4.55%	35,333,000	30,057,474	5,488,769	24,568,705	5,738,508
North Clackamas Parks and Recreation District Limited					
Full Faith and Credit Obligation Bonds 2008 Issue;					
Interest 3.0%-4.0%	8,000,000	8,000,000	215,000	7,785,000	295,000
Estacada Area County Service District for Library Services					
General Obligation Bonds 2005 Issue; interest 3%-4.43%	1,900,000	1,790,000	50,000	1,740,000	55,000
		118,022,474	8,263,769	109,758,705	\$ 8,713,508
Premiums		238,074	(11,821)	226,253	
		<u>\$ 118,260,548</u>	<u>\$ 8,251,948</u>	109,984,958	
Current portion				8,713,508	
Long-term portion				<u>\$ 101,271,450</u>	

NOTES TO BASIC FINANCIAL STATEMENTS (C

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YEAR ENDED JUNE 30, 2009

8. LONG-TERM DEBT (Continued)

Bonds Payable (Continued)

Business-type activities:	Original Amount	Outstanding June 30, 2008	Increases	Decreases	Outstanding June 30, 2009	Principal Due Within One Year
Clackamas County Service District No.1 Revenue Bonds 2002 Issue;						
interest 2.0% - 4.875%	\$ 15,698,000	\$ 8,815,000	\$ -	\$ 1,010,000	\$ 7,805,000	\$ 1,035,000
Less deferred amount on refunding		(443,556)		95,448	(348,108)	
		<u>8,371,444</u>	<u>-</u>	<u>914,552</u>	<u>7,456,892</u>	
Clackamas County Service District No.1 Revenue Obligations 2009 Issue;						
interest 2.0% - 6.875%	38,460,000	-	38,460,000	-	38,460,000	410,000
Premium		-	91,302	(1,219)	90,083	
		<u>-</u>	<u>38,551,302</u>	<u>(1,219)</u>	<u>38,550,083</u>	
Stone Creek Golf Course Full Faith and Credit Obligation Bonds 2003 Issue;						
interest 2% - 4.75%	6,355,000	5,400,000	-	250,000	5,150,000	255,000
Less unamortized discount		(988)	-	62	(926)	
		<u>5,399,012</u>	<u>-</u>	<u>249,938</u>	<u>5,149,074</u>	
Housing Authority of Clackamas County General Obligation Bonds;						
interest 3.75% - 5.90%	13,505,000	9,170,000	-	270,000	8,900,000	290,000
Less unamortized discount		(182,197)	-	9,850	(172,347)	
		<u>8,987,803</u>	<u>-</u>	<u>260,150</u>	<u>8,727,653</u>	
		<u>\$ 22,758,259</u>	<u>\$ 38,551,302</u>	<u>\$ 1,423,421</u>	<u>\$ 59,883,702</u>	<u>\$ 1,990,000</u>

Current and future maturities at June 30, 2009 for the business-type activities are summarized as follows:

Current maturities - face value	\$ 1,990,000
Premium	3,652
Less deferred amount in refunding and discount	(85,963)
	<u>\$ 1,907,689</u>
Future Maturities - face value	\$ 58,325,000
Premium	86,431
Less deferred amount in refunding and discount	(435,418)
	<u>\$ 57,976,013</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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8. LONG-TERM DEBT (Continued)

Bonds Payable (Continued)

Future maturities of bond principal and interest at June 30, 2009, are as follows:

Governmental activities:

Fiscal Year	North Clackamas Parks and Recreation District Limited Tax Revenue Refunding Bonds Series 2000		Full Faith and Credit Obligation Bancroft Limited Tax Assessment Bonds 2000 Issue		Bancroft Improvement Bonds 2003 Issue	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	\$ 405,000	\$ 347,865	\$ -	\$ 91,000	\$ 205,000
2011	430,000	325,388	-	91,000	230,000	686,940
2012	450,000	301,308	-	91,000	260,000	678,890
2013	475,000	275,882	-	91,000	290,000	669,790
2014	505,000	249,107	-	91,000	325,000	659,640
2015-2019	3,000,000	767,579	-	455,000	2,165,000	3,109,515
2020-2024	710,000	42,600	1,400,000	91,000	3,335,000	2,613,020
2025-2029	-	-	-	-	4,915,000	1,802,190
2030-2033	-	-	-	-	5,410,000	594,574
	<u>\$ 5,975,000</u>	<u>\$ 2,309,729</u>	<u>\$ 1,400,000</u>	<u>\$ 1,001,000</u>	<u>\$ 17,135,000</u>	<u>\$ 11,508,674</u>

Fiscal Year	Full Faith and Credit Obligation Series 2004		Estacada Area County Service District For County Services General Obligation Series 2005		Clackamas County Development Agency Urban Renewal Bonds Series 2007	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	\$ 200,000	\$ 176,740	\$ 55,000	\$ 74,813	\$ 5,738,508
2011	205,000	169,740	60,000	72,888	5,999,610	856,774
2012	215,000	162,360	65,000	70,788	6,272,692	583,792
2013	225,000	154,297	70,000	68,512	6,557,995	298,389
2014	235,000	145,297	80,000	65,888	-	-
2015-2019	1,345,000	573,220	495,000	275,230	-	-
2020-2024	1,705,000	246,570	735,000	142,454	-	-
2025	-	-	180,000	7,650	-	-
	<u>\$ 4,130,000</u>	<u>\$ 1,628,224</u>	<u>\$ 1,740,000</u>	<u>\$ 778,283</u>	<u>\$ 24,568,705</u>	<u>\$ 2,856,831</u>

NOTES TO BASIC FINANCIAL STATEMENTS (C)

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YEAR ENDED JUNE 30, 2009

8. LONG-TERM DEBT (Continued)

Bonds Payable (Continued)

Fiscal Year	Full Faith and Credit Obligation Series 2007		North Clackamas Parks and Recreation District Full Faith and Credit Obligation Series 2008		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	\$ 1,815,000	\$ 1,953,681	\$ 295,000	\$ 269,563	\$ 8,713,508
2011	1,890,000	1,881,081	305,000	280,563	9,119,610	4,344,374
2012	1,960,000	1,805,481	310,000	251,338	9,532,592	3,944,957
2013	2,040,000	1,727,081	320,000	241,888	9,977,995	3,526,839
2014	2,125,000	1,645,481	330,000	232,138	3,600,000	3,088,551
2015-2019	11,990,000	6,834,505	1,840,000	989,918	20,835,000	13,005,027
2020-2024	14,745,000	3,831,938	2,235,000	637,737	24,865,000	7,605,319
2025-2029	10,460,000	837,073	2,150,000	174,547	17,705,000	2,821,460
2030-2033	-	-	-	-	5,410,000	594,574
	<u>\$ 47,025,000</u>	<u>\$ 20,516,321</u>	<u>\$ 7,785,000</u>	<u>\$ 3,057,692</u>	109,758,705	<u>\$ 43,656,754</u>

Premium

226,253

\$ 109,984,958

Business-type activities:

Fiscal Year	Clackamas County Service District No. 1 Revenue Bonds - 2002		Clackamas County Service District No. 1 Revenue Bonds - 2009		Stone Creek Golf Course Fund Full Faith and Credit Obligation Series 2003	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	\$ 1,035,000	\$ 268,700	\$ 410,000	\$ 1,875,215	\$ 255,000
2011	1,065,000	234,906	910,000	1,496,243	265,000	208,006
2012	1,095,000	198,366	935,000	1,477,793	275,000	198,887
2013	1,130,000	159,605	965,000	1,453,966	285,000	188,731
2014	1,165,000	118,506	995,000	1,429,543	295,000	177,487
2015-2019	1,755,000	235,451	5,580,000	6,692,963	1,685,000	681,479
2020-2024	560,000	54,548	7,030,000	5,638,413	2,090,000	254,042
2025-2029	-	-	9,240,000	3,961,444	-	-
2030-2034	-	-	12,395,000	1,505,521	-	-
	<u>\$ 7,805,000</u>	<u>\$ 1,270,082</u>	<u>\$ 38,460,000</u>	<u>\$ 25,531,101</u>	<u>\$ 5,150,000</u>	<u>\$ 1,924,789</u>

Fiscal Year	The Housing Authority of Clackamas County General Obligation Bonds		Total	
	Principal	Interest	Principal	Interest
	2010	\$ 290,000	\$ 513,845	\$ 1,990,000
2011	305,000	496,580	2,545,000	2,435,745
2012	325,000	478,320	2,630,000	2,353,366
2013	340,000	459,035	2,720,000	2,261,337
2014	365,000	438,421	2,820,000	2,163,957
2015-2019	2,165,000	1,508,595	11,185,000	9,118,488
2020-2024	2,905,000	1,272,189	12,585,000	7,219,192
2025-2029	2,205,000	358,820	11,445,000	4,320,264
2030-2034	-	-	12,395,000	1,505,521
	<u>\$ 8,900,000</u>	<u>\$ 5,525,815</u>	<u>60,315,000</u>	<u>\$ 34,251,767</u>

Premium

90,083

Less deferred amount on refunding
Less unamortized discount

(348,108)

(173,273)

\$ 59,883,702

8. LONG-TERM DEBT (Continued)

Bonds Payable (Continued)

The Housing Authority of Clackamas County general obligation bonds are subject to certain debt covenants, relating to net revenues subject to statutory limitations and debt service reserves. The most restrictive of these covenants requires that the Authority establish and collect rents sufficient to produce a ratio of Adjusted Net Operating Income, as defined, to maximum annual debt service on the Series A bonds of at least 1.45 to 1 and a ratio of Adjusted Net Operating Income to maximum annual debt service on the Series A bonds and any additional bonds of 1.1 to 1. The Series A coverage ratio for fiscal year 2009 is 1.35. A failure to maintain the above ratios however, does not constitute a default.

Under the revenue bond agreements Clackamas County Service District No. 1 has agreed to covenants that it will charge user rates and fees in connection with the operation of the sewer system which are adequate to cover annual debt service as required by the bond agreements. The District was in compliance with these covenants during the year ended June 30, 2009.

In prior years, the North Clackamas Parks and Recreation District defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and the liabilities for the defeased bonds are not included in the basic financial statements. At June 30, 2009, \$3,615,000 of bonds outstanding are considered defeased.

In prior years, the Clackamas County Service District No. 1 defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and the liabilities for the defeased bonds are not included in the basic financial statements. At June 30, 2009, \$5,670,000 of bonds outstanding are considered defeased.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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8. LONG-TERM DEBT (Continued)

Loans and Contracts Payable

Loans and contracts payable transactions for the year ended June 30, 2009 are as follows:

Governmental activities:	Outstanding June 30, 2008	Increase	Decreases	Outstanding June 30, 2009
ODOT Loan payable; interest 3.75%	\$ 10,861,929	\$ -	\$ (733,314)	\$ 10,128,615
ODOT Loan Payable; interest 3.65%	-	5,000,000	-	5,000,000
Contracts payable; interest 4.3% - 5.6%	1,990,000	-	(65,000)	1,925,000
City of Oregon City, Oregon SDC financing agreement; interest 4.00%	-	1,070,696	(169,733)	900,963
Clackamas County Development Agency: Contract payable; interest 1%	80,887	-	(80,887)	-
	<u>\$ 12,932,816</u>	<u>\$ 6,070,696</u>	<u>\$ (1,048,934)</u>	<u>17,954,578</u>
Current portion				<u>(1,393,010)</u>
Long-term portion				<u>\$ 16,561,568</u>

Business-type activities:	Outstanding June 30, 2008	Decreases	Outstanding June 30, 2009
Clackamas County Service District No. 1: Contract payable to City of Portland for sewer rights; interest at 7.5% and to the Oregon Department of Environmental Quality for construction of sewerage facilities; interest at 4.11% plus administrative fees	\$ 1,313,279	\$ (165,507)	\$ 1,147,772
Tri-City Service District: Loan payable to the Oregon Department of Environmental Quality for construction of sewerage facilities; interest 2.99% to 3.98% plus administrative fees	380,853	(41,304)	339,549
Housing Authority of Clackamas County: Mortgage notes payable; collateralized by properties and paid from rental income; interest 5.0% to 11.0%	480,028	(29,334)	450,694
Loan payable to the Farmers Home Administration and the State of Oregon interest 0% to 11.0%	239,502	(16,687)	222,815
	<u>719,530</u>	<u>(46,021)</u>	<u>673,509</u>
	<u>\$ 2,413,664</u>	<u>\$ (252,832)</u>	<u>2,160,830</u>
Current portion			<u>(250,647)</u>
Long-term portion			<u>\$ 1,910,183</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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8. LONG-TERM DEBT (Continued)

Loans and Contracts Payable (Continued)

Future maturities for loans and contracts payable are as follows:

Governmental activities:

Fiscal Year	ODOT Loan Payable 3.75%		ODOT Loan Payable 3.65%		Contracts Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 760,809	\$ 379,824	\$ 212,483	\$ 183,117	\$ 70,000	\$ 110,860
2011	789,344	351,692	220,420	175,180	75,000	107,080
2012	818,944	321,692	228,200	167,400	80,000	102,805
2013	849,654	290,982	237,175	158,424	85,000	98,245
2014	881,516	259,120	246,033	149,567	85,000	93,400
2015-2019	4,928,932	774,248	1,374,672	603,328	515,000	387,450
2020-2024	1,099,416	42,228	1,651,310	326,690	685,000	219,820
2025-2027	-	-	829,707	15,479	330,000	29,000
	<u>\$ 10,128,615</u>	<u>\$ 2,419,786</u>	<u>\$ 5,000,000</u>	<u>\$ 1,779,185</u>	<u>\$ 1,925,000</u>	<u>\$ 1,148,660</u>
	City of Oregon City SDC Financing Agreement 4.00%		Total			
	Principal	Interest	Principal	Interest		
2010	\$ 349,718	\$ 32,576	\$ 1,393,010	\$ 706,377		
2011	363,846	18,447	1,448,610	652,399		
2012	187,399	3,748	1,314,543	595,645		
2013	-	-	1,171,829	547,651		
2014	-	-	1,212,549	502,087		
2015-2019	-	-	6,818,604	1,765,026		
2020-2024	-	-	3,435,726	588,738		
2025-2027	-	-	1,159,707	44,479		
	<u>\$ 900,963</u>	<u>\$ 54,771</u>	<u>\$ 17,954,578</u>	<u>\$ 5,402,402</u>		

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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8. LONG-TERM DEBT (Continued)

Loans and Contracts Payable (Continued)

Business-type activities:

Fiscal Year	Clackamas County Service District No. 1 Contract Payable		Tri-City Service District Loan Payable		Housing Authority of Clackamas County Mortgage Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	\$ 172,379	\$ 45,420	\$ 42,965	\$ 13,091	\$ 29,718
2011	179,537	38,263	44,692	11,364	28,894	22,373
2012	186,992	30,808	46,487	9,567	31,157	20,843
2013	194,756	23,044	48,357	7,699	33,621	15,201
2014	202,843	14,956	50,300	5,755	36,306	12,877
2015-2019	211,265	6,534	106,748	5,363	182,963	53,780
2020-2024	-	-	-	-	80,787	24,987
2025-2027	-	-	-	-	27,248	3,467
	<u>\$ 1,147,772</u>	<u>\$ 159,025</u>	<u>\$ 339,549</u>	<u>\$ 52,839</u>	<u>\$ 450,694</u>	<u>\$ 177,361</u>

Fiscal Year	Housing Authority of Clackamas County Loans Payable		Total	
	Principal	Interest	Principal	Interest
	2010	\$ 5,585	\$ 956	\$ 250,647
2011	5,641	901	258,764	72,901
2012	5,698	845	270,334	62,063
2013	5,755	674	282,489	46,618
2014	5,813	520	295,262	34,108
2015-2019	29,951	2,557	530,927	68,234
2020-2024	28,803	1,655	109,590	26,642
2025-2027	497	273	27,745	3,740
Undetermined	135,072	-	135,072	-
	<u>\$ 222,815</u>	<u>\$ 8,381</u>	<u>\$ 2,160,830</u>	<u>\$ 397,606</u>

Under the terms of the agreements with the State of Oregon, a certain portion of the mortgage notes payable is forgiven yearly as long as the Housing Authority of Clackamas County operates the dwellings as low income housing. If the Authority ceases to operate these dwellings as low-income housing, the loans become payable when the property is sold.

Capital Leases Payable

The County entered into various lease agreements for financing the acquisition of equipment with an original cost of \$186,490. The remaining balance of the capital lease (\$40,059) was paid during the year ended June 30, 2009.

CLACKAMAS COUNTY, OREGONNOTES TO BASIC FINANCIAL STATEMENTS (C**DRAFT**YEAR ENDED JUNE 30, 2009**8. LONG-TERM DEBT (Continued)****Conduit Debt**

The County has issued conduit debt for the Hospital Facility Authority of Clackamas County. The aggregate outstanding amount is \$120,520,000 at June 30, 2009. The County has no obligation for repayment of this debt.

9. OPERATING LEASES

The County leases buildings and office equipment under non-cancelable operating leases. Rent expense amounted to approximately \$995,500 for the year ended June 30, 2009. Future payments are due as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2010	\$ 857,500
2011	241,500
2012	192,000
2013	192,000
	<u>\$ 1,483,000</u>

During the year WICCO had a lease for office space. Rental expense for the year ended June 30, 2009 totaled \$35,287.

At June 30, 2009, the future minimum lease payments under this lease are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 37,416
2011	38,496
2012	39,612
2013	40,752
2014	6,792
	<u>\$ 163,068</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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10. DUE TO/FROM OTHER FUNDS AND INTERFUND LOANS

Interfund due to/from balances at June 30, 2009 are comprised of the following:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	\$ 3,140,793	\$ 2,199,276
Community Health	464,866	124,269
Sheriff Operations	816,842	686,458
DTD Capital Projects	1,569,019	2,535,753
Non Major	8,391,061	9,105,821
Internal Service	2,159,099	863,009
Stone Creek Golf Course	-	755
Clackamas County Service District No. 1	20,766	1,023,709
Clackamas County Service District No. 5	-	23,396
	<u>\$ 16,562,446</u>	<u>\$ 16,562,446</u>

Interfund balances consist of temporary overdrafts of commingled cash and investments and for services received or provided.

Interfund loan balances at June 30, 2009 are comprised of the following:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$ 112,870	\$ -
Non-Major Funds	1,078,886	527,075
Housing Authority of Clackamas County	-	664,681
	<u>\$ 1,191,756</u>	<u>\$ 1,191,756</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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10. DUE TO/FROM OTHER FUNDS AND INTERFUND LOANS (Continued)

Future maturities of interfund loans are as follows:

Fiscal Year	Non-Major Funds		Community Development Fund	
	Principal	Interest	Principal	Interest
2010	\$ 73,440	\$ 25,830	\$ -	\$ -
2011	77,016	22,253	-	-
2012	376,619	18,501	-	-
Undetermined	-	-	664,681	-
	<u>\$ 527,075</u>	<u>\$ 66,584</u>	<u>\$ 664,681</u>	<u>\$ -</u>

Fiscal Year	Total	
	Principal	Interest
2010	\$ 73,440	\$ 25,830
2011	77,016	22,253
2012	376,619	18,501
Undetermined	664,681	-
	<u>\$ 1,191,756</u>	<u>\$ 66,584</u>

11. TRANSFERS TO/FROM OTHER FUNDS

Transfers to/from other funds consisted of the following:

Amount	Description
\$ 29,307,988	From the General Fund to other governmental funds for general operations.
41,780,202	From the General Fund to the Sheriff Operations Fund for general operations.
3,037,461	From the General Fund to the Community Health Fund for general operations.
882,047	From the General Fund to the Internal Service Funds for general operations.
4,133,106	From the General Fund to other governmental funds for capital asset improvements.
3,083,170	From the General Fund to other governmental funds for debt service.
1,112,000	From other governmental funds to the General Fund for operations at County library branches.
819,964	From other governmental funds to the Internal Service Funds for capital asset improvements.
17,405,374	From other governmental funds to the DTD Capital Fund for capital asset improvements.
150,000	From other governmental funds to the Community Health Fund for general operations.
33,800	From other governmental funds to the Sheriff Operations Fund for general operations.
378,565	From the Sheriff Operations Fund to other governmental funds for debt service.
442,540	From the Internal Service Funds to the General Fund for general operations.
5,315,020	Within other governmental funds for general operations.
11,399,620	Within other governmental funds for capital asset improvements.
<u>\$ 119,280,857</u>	

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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11. TRANSFERS TO/FROM OTHER FUNDS (Continued)

Interfund transfers are shown as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	\$ 117,578,846	\$ (118,838,317)
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	<u>1,702,011</u>	<u>(442,540)</u>
	<u>\$ 119,280,857</u>	<u>\$ (119,280,857)</u>

12. PENSION PLAN

Plan Description

The County contributes to the Oregon Public Employees Retirement System (PERS) and to the Oregon Public Service Retirement Plan (OPSRP). PERS is an agent multi-employer defined benefit public employee retirement system. OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). A defined benefit plan is benefit-based and uses predictable criteria such as a pension determined by salary multiplied by length of service multiplied by a factor. A defined contribution plan has no guarantee. OPSRP is administered by PERS. PERS acts as a common investment and administrative agent for political subdivisions in the State of Oregon. PERS is administered under Oregon Revised Statute (ORS) Chapter 238. ORS Chapter 238.620 establishes the Public Employees Retirement Board as the governing body of PERS. The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature.

The 2003 Oregon Legislature passed PERS reform legislation and essentially created a new retirement plan for employees hired on or after August 29, 2003. These employees become members of the Oregon Public Service Retirement Plan (OPSRP). OPSRP is administered by PERS.

Benefits generally vest after five years of continuous service. Retirement is allowed at age fifty-eight with unreduced benefits, but retirement is generally available after age fifty-five with reduced benefits. Retirement benefits based on salary and length of service are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

NOTES TO BASIC FINANCIAL STATEMENTS (C**DRAFT**YEAR ENDED JUNE 30, 2009**12. PENSION PLAN (Continued)****Plan Description (Continued)**

The State of Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700 or by calling 1-888-320-7377.

Funding Policy

The rate of employer contributions to PERS is determined periodically by PERS based on actuarial valuations performed at least every two years. Contributions to PERS have been made based on the annual required contribution and were charged to expense/expenditures.

The County's annual required contribution rate for fiscal 2009 was for Tier 1/Tier 2 employees 15.2% of covered employees' salaries, for OPSRP General Service employees 15.97% of covered employees' salaries and for OPSRP Police and Fire employees 19.24% of covered employees' salaries. The employee contribution rate is 6%. The County's required contribution rate will change to 11.96% for Tier 1/Tier 2 employees, 10.95% for OPSRP General Service employees and 13.66% for OPSRP Police and Fire employees as of July 1, 2009, as a result of a December 31, 2007 actuarial valuation.

Annual Pension Cost

For fiscal 2009, 2008 and 2007 the County's actual annual pension cost was approximately \$24,386,000, \$22,537,000, and \$18,124,000, respectively, and was equal to the annual required contributions. The required contribution was determined as part of the actuarial valuation at December 31, 2007 using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation included: (a) rate of return on the future investment earnings of the assets of the System are assumed to accrue at an annual rate of 8% compounded annually; (b) projected annual rate of wage inflation of 3.75%, compounded annually, excluding merit or longevity increases; (c) healthcare cost inflation assumed at 8% in 2009, then declining by .50% per year until the rate of 5% is reached in 2013; (d) consumer price inflation of 2.75% per year; (e) twenty year closed amortization of the unfunded actuarial liability as a level percentage of combined valuation payroll; and (f) contribution rates for a rate pool are confined to a collar based on the prior Tier 1/Tier 2 pension contribution rate and the new contribution rate will not increase or decrease from the prior contribution rate by more than the greater of 3 percentage points or 20 percent of the current rate.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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12. PENSION PLAN (Continued)

Annual Pension Cost (Continued)

No obligation for retirees is attributed to the County as PERS pools the risk related to retired employees among all employers. PERS assumes the obligation for benefits from the individual entity, as a whole, when benefits become payable.

PERS Funding Progress

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL) (Asset)	Percent Funded	Covered Payroll	UAAL as a Percentage of Covered Payroll
2008	\$ 452,197,000	\$ 606,618,000	\$ 154,421,000	75%	\$ 109,890,000	140%
2007	601,534,000	591,353,000	(10,181,000)	102%	102,506,000	(10%)
2006	566,542,000	573,885,000	7,343,000	99%	100,862,000	7%

The Housing Authority of Clackamas County reports PERS pension information in separately issued component unit financial statements. The plan description, funding policy, and the annual pension cost actuarial assumptions are the same as reported above for the County. For the years ended June 30, 2009, 2008 and 2007, the annual pension cost for the Authority was approximately \$276,000, \$268,000, and \$293,000, respectively, and was equal to the required and actual contributions.

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL) (Asset)	Percent Funded	Covered Payroll	UAAL as a Percentage of Covered Payroll
2008	\$ 8,613,000	\$ 11,233,000	\$ 2,620,000	77%	\$ 1,760,000	149%
2007	11,599,000	10,761,000	(838,000)	108%	1,799,000	(47%)
2006	10,820,000	10,347,000	(473,000)	105%	1,692,000	(28%)

WICCO makes employer matching contributions, as permitted by section 403(b) of the Internal Revenue Code, up to 8 percent of the employee's salary. Pension contribution expense totaled \$10,454 for the year ended June 30, 2009

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The County administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides the opportunity for postretirement healthcare insurance for eligible retirees and their spouses through the County's group health insurance plans, which cover both active and retired participants.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)YEAR ENDED JUNE 30, 2009**DRAFT****13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)****Funding Policy**

The County has not established a trust fund to supplement the costs for the net OPEB obligation. The County does not pay any portion of the health insurance premium for PERS Tier 1/Tier 2 or OPSRP General Service retirees; however, the retired employee receives an implicit benefit of a lower healthcare premium, which is spread among the cost of active employee premiums. The County's regular healthcare benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. At June 30, 2009 there were 358 Tier 1/Tier 2 and OPSRP General Service retirees that were receiving the post-employment healthcare benefit.

The County also provides post-employment healthcare benefits to retiring Peace Officer Association (POA) and Command Officers (CO), who retire with a minimum of ten years of service with the County. The County contributes 100% of the monthly medical premium, which is paid as incurred. Retirees are responsible for the payment of annual deductibles, which vary according to the plan selected. The County funds premium costs by contributing 3% for all Sheriff's office covered employees, whether they are union or non-union. During fiscal 2009, benefit payments of \$519,133 were made to participants. At year-end, net assets available for future premium costs in the Pension Trust Fund amounted to \$1,013,417. At June 30, 2009 there were 102 POA and CO retirees that were receiving the post-employment healthcare benefit.

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the guidelines of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following schedule shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's OPEB obligation to the plan:

Annual required contribution	\$ 6,392,802
Interest on net OPEB obligation	177,475
Adjustment to annual required contribution	(256,585)
Annual OPEB cost	<u>6,313,692</u>
Contributions made	<u>4,180,263</u>
Increase in net OPEB obligation	2,133,429
Net OPEB obligation - beginning this year	<u>6,687,646</u>
Net OPEB obligations - end of year	<u><u>\$ 8,821,075</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS (Co**DRAFT**YEAR ENDED JUNE 30, 2009**13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)****Funding Policy (Continued)**

The following table shows the county's annual OPEB cost for the fiscal year ended June 30, 2009.

<u>Required Contributor</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
General County Only	\$ 3,192,669	29%
Sheriff's Dept. Only	<u>3,200,133</u>	30%
All county Total	<u>\$ 6,392,802</u>	30%

As of the most recent actuarial report, July 1, 2008, the actuarial accrued liability of benefits was \$50,916,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$50,916,000. The covered payroll (annual payroll of active employees covered by the plan) was \$112,679,000 for fiscal year 2009 and the ratio of the UAAL to the covered payroll was 45%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility, consistent with the long-term perspective of the calculations.

In the most recently conducted actuarial evaluation (as of July 1, 2008), the unit credit method actuarial cost method was used. This method attempts to track the actual economic pattern of benefit accrual over an employee's working lifetime. The discount rate is selected based on historical and expected returns on the County's short-term investment portfolio. A discount rate of 4.0% was used in the most recent actuarial valuation for the closed period. The actuarial valuation assumes that healthcare costs are trending down from 10.0% in 2007 to 5.0% in 2012 for the major medical component, which is representative for the overall plan. The County's UAAL is being amortized using the level-dollar method with a closed group rolling 30 year amortization methodology. The remaining amortization period at June 30, 2009 is 29 years.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)YEAR ENDED JUNE 30, 2009**DRAFT****13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)****Retirement Health Insurance Account**

As a member of Oregon Public Employees Retirement System (OPERS), the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA resides with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.29% of annual covered OPERF payroll and 0.19% of OPSRP payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2007, 2008 and 2009 were \$195,000, \$200,000 and \$214,000, respectively,

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

14. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Retirement Health Insurance Account (Continued)

which equaled the required contributions each year. These rates and contributions are included in the PERS rates as listed in Note 11.

15. COMMITMENTS AND CONTINGENCIES

The County has commitments under contractual agreements for various construction contracts amounting to approximately \$10,472,000.

The Clackamas County Development Agency has commitments under various contracts for the construction of improvements totaling approximately \$768,000.

Tri-City Service District has commitments under contractual agreements for various construction contracts totaling approximately \$1,521,000.

Clackamas County Service District No. 1 is committed under contractual agreements for various construction contracts amounting to approximately \$59,100,000.

Housing Authority of Clackamas County has commitments under various contracts for the construction of improvements totaling approximately \$254,000.

North Clackamas Parks and Recreation District has commitments under various construction contracts amounting to approximately \$500,000.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and State of Oregon governments. Any disallowed claims, including amounts already collected, could become a liability of the General Fund or other funds. Management believes amounts disallowed, if any, would not be material to the County.

The County is a defendant in various lawsuits. The likely outcome of these lawsuits is not determinable at this time; however, County management intends to defend these lawsuits vigorously and believes the likely outcome will not have a material adverse effect on the County's basic financial statements.

WICCO reimbursement claims under federal and state program grants are subject to audit and adjustment by grantor agencies. Any disallowed claims may become a liability of the organization

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)YEAR ENDED JUNE 30, 2009**DRAFT****15. RELATED PARTY TRANSACTIONS**

WICCO has entered into grant agreements with organizations whose management includes members of the WICCO Board of Directors. Payables to these organizations totaled \$745,180 at June 30, 2009 and expenses of \$2,866,262 were incurred under grant agreements with these organizations during the year then ended.

16. MEASURES 37 AND 49

Measures 37 and 49, passed by the voters in 2004 and 2007 respectively, implemented certain land use policies and regulations affecting property owners within a governmental jurisdiction. These policies and regulations may require the County to compensate property owners for changes in land use rules or regulations enacted subsequent to the property owner acquiring title. Compensation may be financial or may entail allowing the property owner to develop their property under rules and regulations in existence prior to the passage of these measures. The County is continuing to resolve these issues, financial and/or development rights, and has not determined the impact, if any, on its financial statements.

17. RESTATEMENTS

The following restatements of net assets and/or fund balances were made in the current year as restatements of beginning equity:

- Community health billings totaling \$2,368,849 not received in the year billed were considered earned under the accrual basis of accounting.
- Certain land held for resale totaling \$634,168 purchased in a prior year was not recorded at the end of the prior year.
- Several credit vouchers for reductions in future transportation systems development fees totaling \$3,587,170 which contained expiration dates, were not recorded in prior years under the accrual basis of accounting.
- Several accrued payroll accounts with debit balances totaling \$1,102,333 needed to be written off.
- A property management company collected, but did not remit, \$559,847 of rental income earned in prior years.
- Certain contracts receivable for system development fees for transportation totaling \$1,084,478 were determined to have been earned in prior years under the accrual basis of accounting.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

17. RESTATEMENTS (Continued)

- Certain expenses for community health programs totaling \$354,756 were overstated in a prior year under both the accrual and the modified accrual basis of accounting.

Following is a tabulation of the effects of these restatements on net assets and fund balances at July 1, 2008:

Net assets, as previously reported	\$ 789,738,562
Community health receivables	2,368,849
Land held for resale	634,168
System development charges vouchers payable	(3,587,170)
Accrued payroll incorrectly recognized	(1,102,333)
Rental income	559,847
System development charges revenue	1,084,478
Community health expense incorrectly recognized	354,756
Net assets, as restated	<u>\$ 790,051,157</u>
Fund balances, as previously reported	\$ 166,392,416
Land held for resale	634,168
System development charges vouchers payable	(3,587,170)
Accrued payroll incorrectly recognized	(1,102,333)
Rental income	559,847
Community health expense incorrectly recognized	354,756
Fund balances, as restated	<u>\$ 163,251,684</u>

18. SUBSEQUENT EVENTS

On July 9, 2009, the County defeased the debt of Estacada Area County Service District for Library Services by placing \$1,893,188 into an irrevocable trust with an escrow agent to provide debt service payments until the bonds are finally callable on June 1, 2015. To accomplish this, the trust purchased U.S. Government securities that will mature at various times in order to pay principal and interest until the remaining bonds are called on June 1, 2015. The County also paid the costs of defeasance totaling \$15,250. The advanced refunding met the requirements of an in-substance defeasance, and the bonds will be removed from the County's government-wide financial statements.

In November of 2009, Clackamas County Service District No.1 issued Series 2009B Revenue Obligations in the amount of \$44,365,000 to finance continued expansion of treatment facilities.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

DRAFT

18. SUBSEQUENT EVENTS (Continued)

On December 1, 2009, Clackamas County, Oregon (County) issued Full Faith and Credit Obligations, Series 2009 with a par value of \$34,795,000, to be repaid in semi-annual installments of principal and interest from June 1, 2010 through June 1, 2029, with a variable interest rate of 2.0% to 4.0% until maturity or earlier redemption. Total debt payments for this issue are estimated to be approximately \$50,707,000. The proceeds from the sale of the 2009 Obligations will be used to finance the cost of County facilities projects, including the remodel of the Sunnybrook Service Center to house the Clackamas County Sheriff's Office (CCSO) headquarters; renovation and systems upgrades for the Clackamas County Jail at Red Soils to add 50 beds and a secure medical unit; the construction of a new warehouse-style CCSO Evidence Processing Facility at Red Soils; funding the remaining costs through reimbursement to the County for the Development Services Building at Red Soils construction project, and any other facilities projects which the Board determines subsequently may be needed. The proceeds from the sale of the Obligations will also be used to pay the costs of issuing the Obligations, which are estimated to be approximately \$430,000.

On January 28, 2010, the North Clackamas Park and Recreation District (NCPRD) issued Full Faith and Credit Refunding Bonds, Series 2010 with a par value of \$5,660,000, to be repaid in semi-annual installments of principal and interest from September 1, 2010 through March 1, 2025, with a variable interest rate of 2.0% to 4.0% until maturity or earlier redemption. Total debt payments for this issue are estimated to be approximately \$7,411,000. The proceeds of the 2010 Bonds will be applied to refund all of NCPRD's Limited Tax Revenue Refunding Bonds, Series 2000 which were issued June 14, 2000, and which mature from March 1, 2010 through March 1, 2020, inclusive and to pay the costs of issuance. NCPRD is undertaking the refunding to achieve debt service savings. As part of the refunding, NCPRD is extending the maturity of the Refunded Bonds by five years to further reduce annual debt service requirements.



March 10, 2010

Mr. David Cummings
CIO/Director, Technology Services
Clackamas County
121 Library Court
Oregon City OR 97045

Dear Mr. Cummings:

SandyNet, a municipal ISP providing last-mile broadband service to residents and business in Sandy and northeast Clackamas County, strongly supports your application for funding under Round 2 of the BTOP funding process. The proposed rural ring will provide a critical connection to the Internet for our ISP, allowing for redundancy and additional capacity to meet future growth. SandyNet has received funding under the BIP program to provide broadband service to the underserved rural area around Sandy, and this additional middle mile capacity is critical to our ability to accommodate our anticipated new customers.

The county ring could also provide fiber connections to some of our antenna towers, allowing us to pool our resources under the BIP and BTOP programs, further stretching the available federal dollars.

Sincerely,

Joe Knapp
General Manager, SandyNet



*Dedicated to Excellence
through Leadership and Service*

13455 SE 97th Avenue
Clackamas, OR 97015-8662
503 675-4000
503 675-4200 Fax
www.clackesd.k12.or.us

Milt Dennison
Superintendent

March 23, 2010

Anthony Wilhelm
Deputy Associate Administrator, Infrastructure Division
Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

RE: Letter of Support for BTOP for Clackamas County

Dear Mr. Wilhelm:

We at Clackamas Educational Service District (CESD) are writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP). Clackamas County's proposal to extend a public fiber ring linking the urban and rural areas of our county is essential to providing basic network services to our schools, libraries, and other public and private institutions in the county. CESD's 4,000 square foot Data Center is the collection point and ISP for Clackamas Community College, Clackamas County, Clackamas County Libraries, Marylhurst University, and all of the public K-12 schools in Clackamas County.

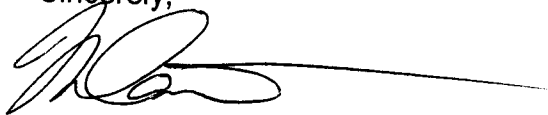
With the overwhelming need for more bandwidth and the lack thereof to our public institutions, this project would:

- 1) Provide Gigabit+ bandwidth fiber between all the schools and public institutions.
- 2) Provide the ability to use streaming digital video curriculum to the classrooms and libraries.
- 3) Provide the ability to use digital video security to protect students and public buildings.
- 4) Provide high quality video conferencing between local buildings as well as around the county, state, and the nation to save on travel expenses and yet collaborate face to face with people from places around the world.
- 5) Provide the bandwidth for a county-wide cloud computing service to save the schools money, time, energy and resources.

- 6) Provide the ability to save money by sharing resources between schools and public agencies.
- 7) Provide the ability to use IP Telephony to save money and enhance communications between schools and other public agencies.
- 8) Provide for more stability and performance than the existing network for the critical day-to-day functions that reside at CESD and on the Internet.
- 9) Provide the local telecommunications providers the use of the fiber to bring higher bandwidth speeds into their networks which provide ISP services to the residents and students at home.

In closure, we would again like to express CESD's enthusiastic support for Clackamas County's proposed Fiber Ring. We feel this project will enhance the education of the students in Clackamas County and save taxpayer money as well as create jobs.

Sincerely,



Milt Dennison
Superintendent



Larry Carter
Chief Information Officer

MD:LC/cbc



**CITY OF
SANDY**

39250 PIONEER BOULEVARD ♦ SANDY, OR 97055

F

Gateway to Mt. Hood

March 10, 2010

Mr. David Cummings
CIO/Director, Technology Services
Clackamas County
121 Library Court
Oregon City OR 97045

Dear Mr. Cummings:

On behalf of the City of Sandy, I am writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP, Round 2) which was made possible by the American Recovery and Reinvestment Act. Clackamas County's proposal to extend a broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of

The City of Sandy operates a municipal ISP (SandyNet) providing broadband service to unserved and underserved residents in our city and surrounding rural area. The project planned by Clackamas County will provide us with an urgently-needed reduction in the cost of the Internet, and provide capacity to serve additional residents and businesses.

Equally important, the ring will provide access to the Internet for critical city departments, and provide high-speed broadband connections between local government agencies. As examples, the Sandy Library depends on a high-speed connection to the Clackamas County library network system for all of its circulation and catalog services. The Sandy Police Department is part of the Clackamas County Sheriff's Office network. The City contracts with the Clackamas ESD for nightly backups of server files, and this too depends on a high-capacity broadband connection. Our audio/video feed for public meetings is streamed to a video server physically located in California, our web site is hosted in Minnesota, and our e-mail is hosted by a cloud computing service. As cloud computing becomes the norm, these inter-agency and web-based connections through the rural ring will become ever more critical to operating our city. We support the County's application for funding the rural ring.

Sincerely,

Scott Lazenby
City Manager



*Dedicated to Excellence
through Leadership and Service*

13455 SE 97th Avenue
Clackamas, OR 97015-8662
503 675-4000
503 675-4200 Fax
www.clackesd.k12.or.us

Milt Dennison
Superintendent

July 30, 2009

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
1401 Constitution Avenue
Washington, DC 20230
btop@ntia.doc.gov

Dear Mr. Wilhelm:

I am writing on behalf of Clackamas Education Service District to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP), which was made possible by the American Recovery and Reinvestment Act (ARRA). I believe that Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, education, transportation, and health care providers throughout the county, is exactly the type of project that would meet the goals of the BTOP.

As a local government agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well-being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers, which can benefit all involved while having a positive overall economic impact.

Our largely rural community is depending on technology infrastructure to help us compete in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future. We are looking at investments in renewable energy and green manufacturing to help our county transition to a knowledge-based economy. In conjunction with our transportation and land use policies, we believe that we are making strategic investments and building lasting partnerships that will provide the potential for long-term job creation and economic development in our community.

Additionally, we know that our public services can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and fire responders, and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

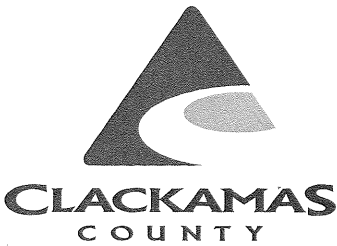
The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. I believe Clackamas County's proposal for BTOP funding will meet these goals and benefit our local community. I hope you will see fit to award these funds to Clackamas County so that we can continue building our technology future.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Dennison', with a long horizontal flourish extending to the right.

Milt Dennison
Superintendent

MD/cbc



STEVE WHEELER
COUNTY ADMINISTRATOR

OFFICE OF THE COUNTY ADMINISTRATOR

March 25, 2010

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

Anthony Wilhelm, Deputy Associate Administrator
Infrastructure Division,
Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United State Department of Commerce
Washington, DC

RE: BTOP Grant Application #5884

Dear Mr. Wilhelm,

This letter will serve as our commitment of capital funding support for Clackamas County's BTOP grant application #5884. As required by the grant program, Clackamas County and its partners are prepared to provide a 30% match in local funds should we receive an award of funds through this program.

The total proposed project budget is \$11,148,830 including a local match component that would total \$3,344,649. The chart below indicates our local match commitments:

Source	Amount	Funding Type	Funding Use	Terms & Cond.
In-Kind Materials - Anchor Institutions (159)	\$2,320,000	Grant Match	Network electronics for last mile connection at anchor location	Subject to approval
In-Kind Materials & Services - County	\$505,580	Internal	Staffing Costs	Unrestricted
Secure Rural Schools Payment	\$318,929	Grant Match	Infrastructure	Unrestricted
County PEG Funds	\$200,140	Grant Match	Infrastructure	Public Access to Broadband
TOTAL	\$3,344,649			

These funds are available and can be expended in conjunction with the project timeline and other conditions described in the grant application.

Clackamas County appreciates your consideration of our funding request and is prepared to provide all necessary assurances as required by the grant award process.

Sincerely,

Steve Wheeler
County Administrator



Gary Barth
Deputy Director

BUSINESS AND ECONOMIC DEVELOPMENT

March 23, 2010

150 BEAVERCREEK ROAD, OREGON CITY, OREGON 97045

Dave Cummings
Chief Information Officer
Clackamas County Technology Services
121 Library Court
Oregon City, OR 97045

Dear David;

The Business and Economic Development Department applauds your much needed \$11 million proposal to the BTOP Program. The project would extend a fiber ring network through strategic urban and rural employment areas of Clackamas County as well as linking vital public services.

Access to robust and affordable broadband is increasingly important to the success of our existing businesses, their expansion efforts and in attracting new businesses to the county. We focus our efforts on traded sector companies that conduct business outside the region with national and international customers. For these firms, state of the art broadband access becomes important in marketing, customer service, and communications. This project will be instrumental to our business recruitment and marketing efforts. It is also critical to level the playing field for our rural communities to compete and attract employers without the location and infrastructure advantages offered by the Portland Metro Area.

This initiative is on target and will support the implementation of the County's recently adopted Economic Development Plan. Several strategies in the plan that link to the fiber ring proposal include:

- **Workforce development:** Expand alternative delivery systems (webinars, online courses, hybrid classes, etc. to increase access, reduce travel costs/energy consumption, work with flexible schedules and reduce tuition costs.
- **Support Business Development in Rural Areas**
 - Partner with rural cities to retain and increase their development ready employment sites.
 - Assist with building local capacity and expanding resources.
- **Infrastructure** (including telecommunications): Advocate for planning, financing and development of utilities in metro urban growth boundary expansion areas and outlying cities. Increase coordination between utilities and the County on funding opportunities for target industries, and sites targeted for development.

Thank you for your initiative in developing this strong and much needed project. Please call me at 503-742-4327 if you have questions or concerns.

Sincerely;

A handwritten signature in cursive script that reads "Renate Mengelberg".

Renate Mengelberg
Economic Development Manager



EAGLE FOUNDRY COMPANY

March 23, 2010

David Cummings
Chief Information Officer
Clackamas County Technology Services
121 Library Ct.
Oregon City OR 97045

Dear Mr. Cummings;

We strongly support Clackamas County's Broadband Innovation Initiative for funding from the Broadband Technology Opportunities Program as part of the American Recovery and Reinvestment Act. We encourage you to fund this important project because it will provide much needed expanded and affordable service to the business community.

Having access to good broadband service is important to Eagle Foundry current operations and future success. Current service in this rural area of Clackamas County is slow and unreliable; the band width is too narrow for our needs. Our reliance on technology for electronic business transactions, communication, and information services is continuing to grow. The current service is substandard. We need better infrastructure to remain competitive through lower costs and have the ability to keep up with current technology.

Our company has been located in the rural Eagle Creek area of the county since 1974. We struggle to compete with firms that have strong infrastructure and technology advantages in urban areas. Eagle Foundry is a rural traded sector manufacturing company with nearly 100 employees that serves national and international clients. Broadband connectivity helps us overcome location challenges and is critical to meeting our customer's needs, and providing excellent customer service. Greater capacity and lower rates would be helpful to our company. The benefits of this proposal will help many other rural companies survive and thrive in an increasingly competitive global economy as well.

We sincerely believe that the Clackamas County proposal will serve the county public and private sector needs and expand the economic opportunities of the county in the future. We urge your support of this project. For more information please contact me at (503) 637-3048.

Sincerely,

Jack Scott, General Manger

P R K
D E V E L O P M E N T L L C

David Cummings
Chief Information Officer
Clackamas County Technology Services
121 Library CT,
Oregon City, OR 97045

Dear Mr. Cummings:

I would like to add my support for your efforts in developing Clackamas County's Broadband Innovation Initiative positioned for grant funding from the Broadband Technology Opportunities Program. This project will provide needed infrastructure that will lead to new business development and job creation. In our economy, broad band access has become basic infrastructure necessary for business success. More Capacity and affordable service are very important to the business community.

Park Development LLC has successfully developed the 26 acres Estacada Industrial Park that is now home to 12 businesses. Many of these sell their products nationally and internationally. Access to broadband helps level the playing field with better served urban businesses. Current service in this rural area of Clackamas County is substandard and expensive.

Park Development LLC wants to expand on the success of the Estacada Industrial Park by developing an additional 125 acres of industrial land adjacent to the existing park. The proposed fiber ring in the grant would be immediately adjacent to this property. More broadband capacity at lower prices would be a huge selling point in marketing the industrial park to more businesses. We are looking for every tool possible to attract businesses to this site, to our community and help our existing companies expand.

Thank you for your leadership in developing this proposal. It will help meet the needs of private business and expand public sector support service as well. State of the art infrastructure will support economic opportunities of the county in the future. We urge your support of this project. For more information please contact me at (503) 630-4240.

Sincerely,



Michael G. Park
MGPARK777@AOL.CO<M

Post Office Box 369
30725 S.E. Highway 224
Estacada, Oregon 97023-0369
(503) 630-4240
FAX (503) 630-4001



Oregon

Theodore R. Kulongoski, Governor

Department of Transportation

Region 1 Headquarters
123 NW Flanders Street
Portland, Oregon 97209
(503) 731.8200
FAX (503) 731.8531

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

December 16, 2009

Dear Mr. Wilhelm,


We are writing to express our support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

We currently deploy a number of Intelligent Transportation System (ITS) devices along the Highway 26 corridor from Sandy out to the Highway 35 junction such as weather stations, variable message signs and CCTV cameras. Expansion of this system is planned including 11 new CCTV cameras, two variable message signs and five weather stations. The availability of fiber optic cable will allow us to connect to our devices and get higher speeds and more bandwidth. Deployment of other devices along the entire route will result in a cost savings for ODOT and allow us to provide enhanced traveler information data.

In addition, the proposed fiber optic build will allow us to connect to our maintenance facilities along the planned routes including Sandy, Estacada and Government Camp. This opportunity will create a more secure, reliable and robust communications backbone for transferring this important data, largely focused on public safety.

If the County is awarded this grant, ODOT will actively work with the County to get our devices connected and get the high speed links to our maintenance facilities along the fiber optic route. We look forward to this opportunity to partner with the County on improving our communications backbone and providing superior traveler information to our customers.

Sincerely,



Dennis Mitchell, PE
Region 1 Traffic Engineer



Oregon

Theodore R. Kulongoski, Governor

Department of Transportation

Region 1 Right of Way
123 NW Flanders
Portland, OR 97209-4012
Phone: (503) 731-8400
FAX: (503) 731-8458

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

FILE CODE:

August 11, 2009

Dear Mr. Wilhelm,

We are writing to express our support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.


As a local government agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

We currently deploy a number of Intelligent Transportation System (ITS) devices along the Highway 26 corridor from Sandy out to the Highway 35 junction such as weather stations, variable message signs and CCTV cameras. Expansion of this system is planned including 11 new CCTV cameras, two variable message signs and five weather stations. The availability of fiber optic cable will allow us to connect to our devices and get higher speeds and more bandwidth. In addition, this opportunity will allow us to connect up some of our maintenance facilities along the planned routes including Sandy, Estacada and Government Camp. This opportunity will create a more secure, reliable and robust communications backbone for transferring this important data, largely focused on public safety.

Additionally, we know that public services can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Mitchell', with a long horizontal flourish extending to the right.

Dennis Mitchell, PE
Region 1 Traffic Engineer



Superintendent Jeff Rose • Business Manager David Moore

Director of Technology & Innovation Joseph Morelock

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

March 16, 2010

Dear Mr. Wilhelm,

K-12 academic demand for high-speed Internet access is growing faster than our school district's ability to provide increased bandwidth. When schools have access to broadband, they can effectively deliver critical educationally related services for students that lack Internet access elsewhere. Nearly 40 percent of Americans, often those with lower incomes and lower levels of education, still don't have high-speed Internet access at home. Schools have never faced so much demand for high-quality Internet access. It's critical that current efforts to expand broadband access in our area include strong support for public schools so they can continue to serve as community technology hubs, provide critical telecommunications services for the educational environment, and model the use of technology. Schools act as community anchor institutions and can help drive local broadband adoption.

More specifically, the proposed project would:

1. Provide the opportunity to have high bandwidth fiber between our schools and back to the ISP (Clackamas Educational Service District) and the Internet.
2. Provide substantial cost savings during the current economic downturn.
3. Provide the ability to use streaming video curricular resources in our schools.
4. Provide the opportunity to save money the enhanced use of shared resources within our district and the global community at large.
5. Enhance our current use of cloud computing saving the district money and time and power, such as Google docs and Google mail.
6. Enhance our ability to use modern network based security systems across our district for the protection of our schools and students.
7. Provide the opportunity to use IPTV as a distribution vector to share educational content district wide and beyond.
8. Enhance and expand our current use of IP telephony with corresponding cost savings.
9. Provide the opportunity to have high quality video conferencing between our buildings as well as across the state and across the nation thus saving on travel expenses and bringing global academic opportunities to our students
10. Provide for enhanced stability and performance to our current network environment and the critical day to day functions that depend upon that environment.
11. Provide the local telecommunications provider the use of this fiber ring so they can provide higher speeds of Internet access to the businesses and residents of our community.

In closure we would like to express our enthusiastic support for and our intent to use the proposed Fiber Ring as submitted by Clackamas County! We believe the project will enhance student learning, broaden student and community horizons, save taxpayer money, and concomitantly both save and create jobs!

Sincerely,

Joseph Morelock, Director, Technology & Innovation
Canby School District

Jeff Rose, Superintendent
Canby School District



Office of the President, ext. 2401

March 5, 2010

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Dear Mr. Wilhelm:

As President of Clackamas Community College, I am writing to express my enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

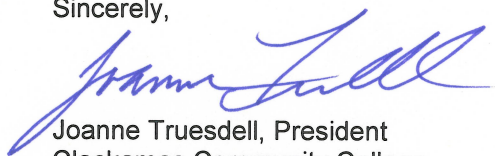
As a local educational agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

Our largely rural community is depending on technology infrastructure to help us compete in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future. We are expanding our educational programs in the areas of renewable energy and green manufacturing to help our county transition to a knowledge-based economy.

Additionally, we know that our students and their families will benefit significantly from these technology infrastructure investments. Clackamas County's proposal will link Clackamas Community College with our partnering K12 school districts, police and fire responders and traffic safety facilities through this robust broadband fiber.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,



Joanne Truesdell, President
Clackamas Community College



**Colton
School
District**

Colton School District 53
30429 S. Grays Hill Road
Colton, Oregon 97017
503-824-3535
503-824-3530 Fax

Linda L. Johnson
Superintendent

March 18, 2010

Mr. Anthony Wilhelm
Deputy Associate Administrator - Infrastructure Division
Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Dear Mr. Wilhelm:

We are pleased to write this letter of support for Clackamas County, Oregon's application for broadband stimulus grant funding to provide dark fiber to public schools and agencies across Clackamas County.

With limited budgets and increasing expectations around measurable outcomes in student achievement placed on public schools, it is imperative that Colton teachers, students and staff have access to current technological resources, and as a district that we maximize our financial outlay for these resources. The Clackamas County dark fiber ring would do just that.

Colton is a small, rural school district in SE Clackamas County we currently have limited options. Our low bandwidth (1.5-3.0Mb over T-1 lines) restricts our ability to access free educational resources readily available to other schools within Clackamas County. We are in the process of converting to fiber optic between our two campuses (District Office/Elementary/Middle Schools and High School). This will allow us to improve sharing capabilities between our buildings. Nevertheless, low bandwidth is handicapping our teachers and students to the immense variety of digital learning and experiences available to other schools across the county such as Web 2.0 applications, cloud computing, video conferencing (Skype and podcasting), VOIP, and IPTV as well as emerging technologies.

We have researched the cost of gig fiber access between our district and our county educational service district and it would be prohibitive – up to three times the current cost. Access to the Clackamas County dark fiber would not only provide our school district with needed reliable digital and telecommunication resources at a sustainable cost it will also provide our local telephone cooperative and our community with higher speeds of Internet – a win/win.

As public schools, we have the responsibility of preparing our next generation of innovators, medical practitioners, teachers, philosophers, public safety, sociologists, engineers, scientists, environmentalists, and inventors. We need the "tools" to ensure that our students are gaining the 21st century knowledge and skills they will need in the future.

Clackamas County has proposed a program that helps all our schools and communities. If their proposal is funded, not only will we be able to maximize our financial resources, we will have unlimited amounts of bandwidth needed to access needed technology now and in the future.

Sincerely,

Linda L. Johnson, Superintendent



Gladstone School District 115

17789 Webster Road
Gladstone, Oregon 97027-1498
(503) 655-2777 Fax: (503) 655-5201
bob@gladstone.k12.or.us

Bob Stewart
Superintendent

March 17, 2010

Anthony Wilhelm, Deputy Associate Administrator
National Telecommunications and Information Administration
United States Department of Commerce
HCHB Room 4887
1401 Constitution Avenue NW
Washington, DC 20230

RE: Broadband Technology Opportunities Program

Dear Mr. Wilhelm,

We are excited about the Broadband Technology Opportunities Program which would enable underserved areas to take advantage of dark fiber capability. The cost savings for this technology is especially important to note in the tough budgetary times for districts. The current cost of internet service is approximately \$830 per month, and the cost of T-1 connectivity for VOIP is \$700 per month. These fees could be eliminated by taking advantage of dark fiber.

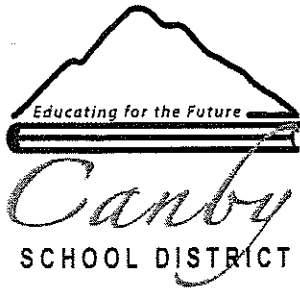
The fiber ring would bring our connection to Clackamas ESD to gigabit+ speed. It would allow for high quality video conferencing between our buildings as well as across the nation which would, in turn, save on travel expenses and enrich classroom dynamics by bringing teachers from around the nation into the classroom. Teachers and staff rely heavily upon large database applications to maintain pertinent information. With this new technology, resources could be shared with the rest of the county. It is also important to note, that dark fiber would provide more adequate means of backing up data offsite at Clackamas ESD.

Not only would school districts benefit, but local telephone and cable companies could take advantage of this technology. The fiber ring would allow for internet connectivity to surpass what currently exists. Customers would benefit in numerous ways including cost and efficiency.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Stewart", written in a cursive style.

Bob Stewart
Superintendent



Superintendent Jeff Rose, Ed.D

1130 S Ivy · Canby · OR · 97013 · 503-266-7861 · www.canby.k12.or.us

July 29, 2009

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
1401 Constitution Avenue
Washington, DC 20230
btop@ntia.doc.gov

Dear Mr. Wilhelm:

We are writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP), which was made possible by the American Recovery and Reinvestment Act (ARRA). We believe that Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, education, transportation, and health care providers throughout the county, is exactly the type of project that would meet the goals of the BTOP.

As a local government agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers which can benefit all involved while having a positive overall economic impact.

Our largely rural community is depending on technology infrastructure to help us compete in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future. We are looking at investments in renewable energy and green manufacturing to help our county transition to a knowledge-based economy. In conjunction with our transportation and land use policies, we believe that we are making strategic investments and building lasting partnerships that will provide the potential for long-term job creation and economic development in our community.

Additionally, we know that our public services can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and fire responders, and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's proposal for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so that we can continue building our technology future.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Rose', with a long horizontal flourish extending to the right.

Jeff Rose Ed.D.
Superintendent, Canby School District



**Colton
School
District**

Colton School District 53
30429 S. Grays Hill Road
Colton, Oregon 97017
503-824-3535
503-824-3530 Fax

Linda Johnson
Superintendent

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

July 22, 2009

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

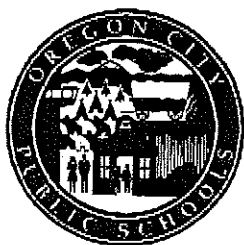
As a local government agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

Additionally, we know that our public services can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,

Linda L Johnson
Superintendent
Colton School District



Oregon City Public Schools

Learning to be our Best.

P.O. Box 2110 (1417 12th St.), Oregon City, Oregon 97045-5010
Roger D. Rada, Superintendent • Telephone: (503) 785-8430 • FAX: (503) 657-2492

July 29, 2009

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information
Applications
National Telecommunications and Information Administration
United States Department of Commerce
1401 Constitution Avenue
Washington, DC 20230
btop@ntia.doc.gov

Dear Mr. Wilhelm:

We are writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP), which was made possible by the American Recovery and Reinvestment Act (ARRA). We believe that Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, education, transportation, and health care providers throughout the county, is exactly the type of project that would meet the goals of the BTOP.

As a local government agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers which can benefit all involved while having a positive overall economic impact.

Our largely rural community is depending on technology infrastructure to help us compete in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future. We are looking at investments in renewable energy and green manufacturing to help our county transition to a knowledge-based economy. In conjunction with our transportation and land use policies, we believe that we are making strategic investments and building lasting partnerships that will provide the potential for long-term job creation and economic development in our community.

Additionally, we know that our public services can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and fire responders, and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's proposal for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so that we can continue building our technology future.

Sincerely,



Roger Rada, Superintendent



PO Box 547 · 36525 SE Industrial Way
Sandy, Oregon 97055-0547
503-668-5541 · Fax: 503-668-7906
www.ortrail.k12.or.us
Student Services:
503-668-4949 · Fax: 503-668-3916

Shelley Redinger, Ph.D.
Superintendent
Timothy Belanger
Director of Business & Support Services
Kenneth Bucchi
Director of Human Resources
Paula Epp
Director of Student Services
Debbie Johnson
Director of Teaching & Learning
Julia Monteith
Director of Communications & Grants

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

July 27, 2009

Dear Mr. Wilhelm,

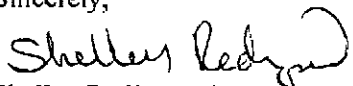
The Oregon Trail School District supports the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

As a public K-12 school district struggling to meet the needs of our students, staff, and community in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

We know that our education services can benefit significantly from this strategic technology infrastructure investment. It will provide us with more bandwidth, allowing for new technologies that will enhance student learning. Clackamas County's proposal also links a wide range of educational institutions, police and fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,


Shelley Redinger, Superintendent



Shelley Redinger, Ph.D.
Superintendent
PO Box 547 36525 SE Industrial Way
Sandy, Oregon 97055-0547
503-668-5541 · Fax: 503-668-7906
www.ortrail.k12.or.us

March 12, 2010

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Re: Letter of Intent

Dear Mr. Wilhelm,

Oregon Trail School District is writing to express our support for the Clackamas ESD to receive funding for the Fiber Optic Service Ring.

The Fiber Optic funds will support:

- The ability to use video curriculum in our schools to enhance education.
- Oregon Trail School District in using shared resources with the rest of the county, like Cloud Computing.
- The ability to use security cameras across the district for the protection of schools and the students.
- The local telephone companies and cable companies for the use of this fiber ring so they can provide higher speeds of internet to the businesses and residents of the communities.

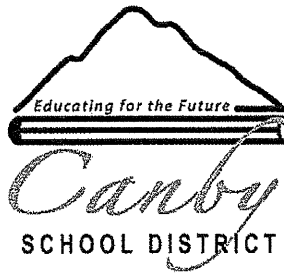
If there are any questions regarding my letter, please contact me at 503-668-5541.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Shelley K. Redinger". The signature is written in a cursive style with a large, looping flourish at the end.

Shelley K. Redinger, Ph.D.
Superintendent



Superintendent Jeff Rose, Ed.D

1130 S Ivy • Canby • OR • 97013 • 503-266-7861 • www.canby.k12.or.us

December 16, 2009

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Re: Letter of Intent

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for and intent to use the proposed Fiber Ring as submitted by Clackamas County.

Sincerely,

Jeff Rose
Superintendent



Colton
School
District

Colton School District 53

30429 S. Grays Hill Road

Colton, Oregon 97017

503-824-3535

503-824-3530 Fax

Linda L. Johnson

Superintendent

December 15, 2009

Anthony Wilhem
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

RE: Letter of Intent

Dear Mr Wilhelm,

I am writing to express our enthusiastic support for and intent to use the proposed Fiber Ring as submitted by Clackamas County. As stated in our previous letter of support we believe the increased connectivity provided by the proposed fiber ring is vital to our schools.

Sincerely,

Linda Johnson
Superintendent, Colton School District
Clackamas County, Oregon



District Office

255 NE 6th Avenue, Estacada, OR 97023
(503) 630-6871

December 15, 2009

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Re: Letter of Intent

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for and intent to use the proposed Fiber Ring as submitted by Clackamas County.

Sincerely,

A handwritten signature in black ink that reads "Howard Fetz".

Superintendent Dr. Howard Fetz
Estacada School District #108



Molalla River School District

P.O. Box 188 • 412 S. Sweigle Avenue
Molalla, Oregon 97038
503-829-2359 503-829-5540 Fax

December 15, 2009

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Re: Letter of Intent

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for and intent to use the proposed Fiber Ring as submitted by Clackamas County. We believe that this infrastructure will be very beneficial to the students and staff of the Molalla River School District #35.

Sincerely,

A handwritten signature in black ink that reads "Wayne D. Kostur".

Wayne D. Kostur
Superintendent



Oregon City Public Schools

Learning to be our Best

P.O. Box 2110 (1417 12th St.), Oregon City, Oregon 97045-5010
Roger D. Rada, Superintendent • Telephone: (503) 785-8430 • FAX: (503) 657-2492

December 16, 2009

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information
Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Re: Letter of Intent

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for and intent to use the proposed Fiber Ring as submitted by Clackamas County. Oregon City School District's educational programs would benefit immediately from this project.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Rada", is written over a horizontal line.

Roger Rada, Superintendent



Oregon Trail School District No. 46

Shelley Redinger, Superintendent
36525 SE Industrial Way, Sandy, OR 97055-0457
www.ortrail.k12.or.us

Phone: (503) 668-5541
Fax: (503) 668-7906

December 15, 2009

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Re: Letter of Intent

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for and intent to use the proposed Fiber Ring as submitted by Clackamas County.

Sincerely,

Shelley K. Redinger, Ph.D.
Superintendent



Molalla River School District

P.O. Box 188 • 412 S. Sweigle Avenue
Molalla, Oregon 97038
503-829-2359 503-829-5540 Fax

Dear Mr. Wilhelm:

Molalla River District supports the efforts of Clackamas County in the bid to bring fiber connectivity to our district and to the communities in the area.

The increased connection speeds and stability that our district would realize from this fiber project, would directly enhance the learning experiences of the students in our district. The improved connectivity between buildings would allow for more creative uses of the internet, for video conferencing, enhanced web-based curriculum and streaming, and would encourage collaborative educational projects between schools.

With tightening budgets and shrinking resources, our district could save the monies currently used to pay for internet access, redirecting the savings to other, more pressing needs.

Several of our mission critical applications are housed at the Clackamas County Educational Service District (CESD). That includes our student information system eSIS and Lawson, our accounting software. Those applications are in daily use throughout the district, and could only be improved by a faster and more stable connection to the CESD. In addition, with a faster broadband connection, we would save money, energy and resources by moving some of our data and hardware to the CESD Data Center and by using their cloud computing services.

Our district is over 200 square miles in size, with long distances between facilities. Collaboration and video conferencing would enable us to offer innovative educational tools to the most rural of schools.

Acceptance of this application would benefit and enrich our district, our students and our communities in many ways, and we ask that you accept their application. Thank you for your consideration.

Gary L Dix
Molalla River School District
Technology Supervisor

A handwritten signature in cursive script that reads "Gary L. Dix".

Toward A New

Excellence

North Clackamas Schools

NORTH CLACKAMAS SCHOOL DISTRICT

4444 SE Lake Road
Milwaukie, OR 97222
503-353-6001 Fax: 503-353-6007
mills@nclack.k12.or.us

Dr. J. Tim Mills
Superintendent

March 15, 2010

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC

Dear Mr. Wilhelm:

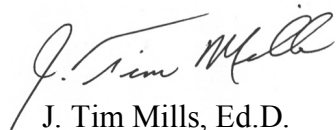
The North Clackamas School District strongly supports the Clackamas County initiative to bring fiber optic service to our county and our school district. Many of our day-to-day district functions, such as our Student Information System and our Lawson financial system, rely on a high speed connection to the Clackamas County Education Service District. These functions would be enhanced with this service.

The school district would also save precious dollars with this service, allowing us to shift resources to maintain staff and district programs. It is calculated to have savings of up to 50% over our current costs for Internet service.

A fiber network through the county would allow the district to make full use of cloud computing opportunities as they arise in the future, and would allow us to make use of video conferencing, online curriculum offerings, and video streaming service.

The North Clackamas School District encourages the acceptance of this application to further our goals for students and the community.

Sincerely,



J. Tim Mills, Ed.D.
Superintendent



Oregon City Public Schools

Learning to be our Best

P.O. Box 2110 (1417 12th St.), Oregon City, Oregon 97045-5010
Roger D. Rada, Superintendent • Telephone: (503) 785-8430 • FAX: (503) 657-2492

March 23, 2010

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Dear Mr. Wilhelm,

Oregon City School District would very much like to reduce operating costs on essential services such as fiber transport from every building to the Clackamas ESD. We currently pay around \$200,000 per year to Qwest for 1Gb/s service but due to the economic crisis we are also laying off staff to keep our budget balanced. If Clackamas County had fiber we could share it would significantly benefit our school district and student population by allowing us to hire more teachers and reduce class sizes.

Additionally, we have two schools that cannot go any faster than 100Mb/s due to the commercial fiber speed limitations in their locations. If Clackamas County had fiber for us to use we could get those schools on high-speed connections and use more video in the classroom and centralize common resources like servers. If these rural communities had access to this same high-speed fiber then the residents could get faster connections through their ISPs since this fiber would be available to them as well.

The bottom line is that school districts like Oregon City School District cannot escape dependency on 24/7 high-speed network connectivity to properly educate our students. Please help our communities step into 21st Century learning through adequate access to broadband fiber optics in Clackamas County.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Rada", written over a light blue horizontal line.

Roger Rada
Superintendent
Oregon City School District

City of Molalla

117 N. Molalla Ave., Molalla, OR 97038



July 22, 2009

Anthony Wilhelm , Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
Herbert C. Hoover Building (HCHB)
U.S. Department of Commerce / NTIA
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Mr. Wilhelm,

On behalf of the City Council and citizens of Molalla, Oregon, I am writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

As a local government agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well-being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

Our largely rural community is depending on technology infrastructure to help us compete in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future. We are looking at investments in renewable energy and green manufacturing to help our county transition to a knowledge-based economy. In conjunction with our transportation and land use policies, we believe that we are making strategic investments and building lasting partnerships that will provide the potential for long term job creation and economic development in our community.

Additionally, we know that our public services can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of

educational institutions, police and fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,

A handwritten signature in black ink that reads "Mike Clarke". The signature is written in a cursive, slightly slanted style.

Mike Clarke,
Mayor



**CITY OF
SANDY**

39250 PIONEER BOULEVARD • SANDY, OR 97055

PHONE (503) 668-5533

FAX (503) 668-8714

Gateway to Mt. Hood

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

July 22, 2009

Dear Mr. Wilhelm:

We are writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act. Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

The City of Sandy operates a municipal ISP providing broadband service to unserved and underserved residents in our city and surrounding rural area. The rural ring planned by Clackamas County will provide us with an urgently-needed redundant path to the Internet, and provide capacity to serve additional residents and businesses. It will also support critical community services by allowing us to link our police department with the county's law enforcement database, and to improve intergovernmental communications and data sharing in general.

We urge your support for this application.

Sincerely,

Scott Lazenby
City Manager

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

August 5, 2009

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.


As a local government agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

Our largely rural community is depending on technology infrastructure to help us compete in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future. We are looking at investments in renewable energy and green manufacturing to help our county transition to a knowledge-based economy. In conjunction with our transportation and land use policies, we believe that we are making strategic investments and building lasting partnerships that will provide the potential for long term job creation and economic development in our community.

Additionally, we know that our public services can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,



Bob Reeves
Villages at Mt Hood Chair for
Patricia Sharp
Pat Buckley
Doug Saldivar
Shirley Dueber
Judith Norval
Rick Applegate
Brigette Romeo



**CITY OF
SANDY**

39250 PIONEER BOULEVARD • SANDY, OR 97055

PHONE (503) 668-5533

FAX (503) 668-8714

Gateway to Mt. Hood

December 15, 2009

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC

Dear Mr. Wilhelm:

This letter is to confirm that if the Clackamas County BTOP grant application is funded and the rural fiber ring is constructed, the City of Sandy intends to use this ring. It will provide a much-needed redundant path to the Internet. The proposed path for the ring will pass two of our SandyNet wireless Internet towers, and we also intend to use the ring to provide backhaul to these towers.

Sincerely,

Scott Lazenby
City Manager

**LIBRARY INFORMATION NETWORK OF CLACKAMAS COUNTY**

McLOUGHLIN BUSINESS PARK BUILDING C
16239 S.E. McLOUGHLIN BLVD., # 208 | OAK GROVE, OR 97267

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

August 10, 2009

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

LINCC is the provider of centralized library automation services for 13 public libraries located in Clackamas County. We serve approximately 275,000 citizens with free public library services, circulating more than 6.5 million items in fiscal year 2008-2009. Being able to provide information and library materials without cost to our citizens is even more even more critical now in these difficult economic times.

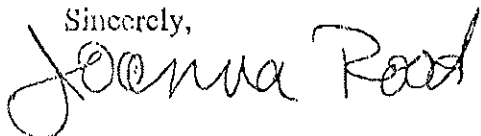
We have recently migrated to SirsiDynix Symphony, a more updated library application software product which provides us with a stable software platform for providing these services, but the client-server architecture of the new product has placed even greater demands on the bandwidth between our central administration site and each library.

In addition, we are finding that demand for free public Internet computers has never been higher in our libraries. More and more folks are out of work and using the library to search for jobs, construct resumes and carry out their daily communications. We find that people who subscribed to their own Internet service at home 6 months ago now cannot afford that service and must come to the library. Libraries have always filled the "digital divide" between the "haves and have nots" in terms of access to the Internet. This need is even more critical now.

Therefore we were very happy to learn that Clackamas County has applied for funds to create a broad band telecommunication service throughout the county. We are thrilled at the prospect of being able to upgrade our WAN with high speed fiber to more of our libraries, especially those who are still on frame-relay circuits. For that reason we support the request for funding submitted by Clackamas County in the strongest possible terms.

On behalf of the librarians and citizens of Clackamas County we thank you for your consideration of this request.

Sincerely,

A handwritten signature in cursive script that reads "Joanna Rood". The signature is written in black ink and is positioned below the word "Sincerely,".

Joanna Rood, Manager LINCC (Libraries in Clackamas County)



LIBRARY INFORMATION NETWORK OF CLACKAMAS COUNTY

McLOUGHLIN BUSINESS PARK BUILDING C
16239 S.E. McLOUGHLIN BLVD., # 208 | OAK GROVE, OR 97267

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

December 22, 2009

Dear Mr. Wilhelm,

We are writing to confirm that LINCC will immediately take advantage of the public fiber broadband ring to be installed under the auspices of the Broadband Technology Opportunities Program (BTOP), if the project is approved.

As you know from our previous letter of support, LINCC is the provider of centralized library automation services for 13 public libraries located throughout Clackamas County. We serve approximately 275,000 citizens with free public library services, circulating more than 6.5 million items in fiscal year 2008-2009

We are thrilled at the prospect of being able to upgrade our WAN with high speed fiber to more of our libraries, especially those who are still on frame-relay circuits. As soon as the project is approved and the broadband ring is installed, we will take immediate action to upgrade and link the following libraries to the new broadband ring: Canby, Estacada, Clackamas, Sandy and to our smallest branch in Welches.

On behalf of the librarians and citizens of Clackamas County we thank you for your consideration of this request.

Sincerely,

Joanna Rood, Manager of LINCC (Libraries in Clackamas County)



CLACKAMAS COUNTY COMMUNITY CORRECTIONS
1024 MAIN STREET • OREGON CITY • OREGON • 97045
TELEPHONE 503-655-8603 • • • FAX 503-650-8942

March 17, 2010

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Dear Mr. Wilhelm,

I am writing to express my enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

The funding of this project will allow my Department to connect its two evidence based correctional facilities – both a Work Release Facility and a Residential Alcohol and Drug Treatment Center – with our local community college and other institutions to allow for meaningful job training and placement services for our unemployed and underemployed clients. Being unemployed significantly increases the likelihood that a client will re-offend. *This initiative will help us enhance our job placement and training services significantly.*

The benefits to funding this request are three-fold for my agency: 1. More residents of Clackamas will be employed and employable 2. Recidivism rates for Community Corrections clients will decrease. 3. The efficiency of my staff who work in these two facilities will be enhanced by having high-speed network and internet access.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. I believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. I hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,

Capt. Chris Hoy
Director

Boring Fire District

P. O. Box 85 • 28655 SE Highway 212 • Boring, Oregon 97009
Phone: (503) 663-4638 • Fax: (503) 663-5792 • www.boringfire.com

Anthony Wilhelm, Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC

August 6, 2009

Dear Mr. Wilhelm,

I am writing to express my enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

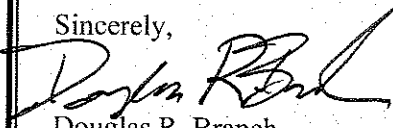
As an emergency first responder struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

Our largely rural community is depending on technology infrastructure to help us compete in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future. In conjunction with our transportation and land use policies, we believe that we are making strategic investments and building lasting partnerships that will provide the potential for long term job creation and economic development in our community.

Additionally, our public services can benefit significantly from this strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,


Douglas R. Branch
Fire Chief

Pride, Service, Dedication

Serving the Communities of Boring, Damascus & Eagle Creek



Clackamas Fire District #1



July 28, 2009

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

Dear Mr. Wilhelm:

Clackamas Fire District #1 wholeheartedly supports the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP), which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county appears to be the exact type of project that would meet the goals of BTOP.

As a fire service agency, we work with many other agencies and departments throughout the County on a daily basis to help provide the services needed by our community. We understand the importance of having an infrastructure that will allow for communicating with these other constituents, especially in times of emergency when all of our services are needed to ensure a positive outcome for our citizens and all involved. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

Our service area encompasses 194 square miles that includes urban, suburban, and rural communities, five cities, significant wildland interface challenges, and regional waterways. Our swiftwater rescue team participates in the Clackamas County Water Rescue Consortium, which is made up of local public safety agencies. Having the technology infrastructure capability that BTOP would provide ensures uninterrupted communication with all constituents to help provide for public safety.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application

for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Kirchhofer', with a large, sweeping flourish extending to the right.

Ed Kirchhofer
Fire Chief

EK/ks

COLTON RURAL FIRE PROTECTION DISTRICT #70

20987 S. HIGHWAY 211 • P.O. BOX 71 • COLTON, OR 97017 • BUSINESS PHONE (503) 824-2545

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington DC

July 28, 2009

Dear Mr. Wilhelm,

I am writing to express my District's support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's request seems like a perfect project to meet the goals of BTOP.

Local agency's like us are having difficulties in this economic climate providing services to our taxpaying constituents and we are intimately aware how important any infrastructure investments are to a community's well being. BTOP is a critical funding source for technology infrastructure that will greatly benefit agencies from our home town to the county, thru the state and to the federal level. Our tax dollars will be spent here in the US benefiting Americans with jobs and service for many years.

Clackamas County's proposal will link educational institutions, police, fire, traffic safety and health care providers in a broadband fiber ring and allow us to improve public safety and information to assist our citizens. We hope you agree to award funds to Clackamas County for our technology future.

Sincerely,



Gary Anderson
Fire Chief
Colton Fire District



ESTACADA RURAL FIRE DISTRICT #69

"DESIRE TO SERVE, COURAGE TO ACT"

Anthony Wilhelm

Deputy Associate Administrator

Infrastructure Division, Office of Telecommunications and Information Applications

National Telecommunications and Information Administration

United States Department of Commerce

Washington, DC

July 28, 2009

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

As a local government agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

Our largely rural community is depending on technology infrastructure to help us compete in a global economy. Though once dependent on our natural resources, we have been making

445 SE Currin St., P.O. Box 608, Estacada, OR 97023
Phone: 503-630-7712 Fax: 503-630-7757 Email: ahull@estacadafire.org

progress toward a more diversified economic future. We are looking at investments in renewable energy and green manufacturing to help our county transition to a knowledge-based economy. In conjunction with our transportation and land use policies, we believe that we are making strategic investments and building lasting partnerships that will provide the potential for long term job creation and economic development in our community.

Additionally, we know that our public services can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,

A handwritten signature in cursive script that reads "Alan L. Hull". The signature is written in black ink and is positioned above the printed name.

Alan L. Hull, Fire Chief

Hoodland Fire District No. 74

69634 E. Highway 26 • Welches, Oregon 97067-9600

Business Phone: (503) 622-3256 • FAX: (503) 622-3125

Anthony Wilhelm, Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC bttop@ntia.doc.gov

August 6, 2009

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

As a small local government agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

Our community is one of the most rural areas and is located at the very edge of the county with National forest on three sides and is very depending on technology infrastructure to help us provide emergency services in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future. We are looking at investments in renewable energy and green manufacturing to help our county transition to a knowledge-based economy. In conjunction with our transportation and land use policies, we believe that we are making strategic investments and building lasting partnerships that will provide the potential for long-term job creation and economic development in our community.

Additionally, we know that we and other public services located in our "edge of the world" rural area can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and other fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Yours in Fire and Life Safety,


Michael R. Eby
Fire Chief

Providing Fire Protection, Prevention & Education





SANDY FIRE DISTRICT No.72



17460 Bruns Avenue • PO Box 518 Sandy, Oregon 97055
Business Phone: 503-668-8093 • Facsimile: 503-668-7941

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
bttop@ntia.doc.gov

July 22, 2009

Dear Mr. Wilhelm,

We are writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

As a local government agency struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our community and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

Our largely rural community is depending on technology infrastructure to help us compete in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future. We are looking at investments in renewable energy and green manufacturing to help our county transition to a knowledge-based economy. In conjunction with our transportation and land use policies, we believe that we are making strategic investments and building lasting partnerships that will provide the potential for long term job creation and economic development in our community.

Additionally, we know that our public services can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit our local community. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary McQueen".

Gary McQueen
Fire Chief



Colton Fire District #70

20987 South Highway 211 • P.O. Box 71
Colton, Oregon 97017-0071
Phone (503) 824-2545 • FAX (503) 824-2546

December 16, 2009

Dave Cummings
CIO/Director
Technology Services
Clackamas County

RE: Letter of Intent - Fiber Ring

This will confirm Colton Fire District's support for future use of the Fiber Ring. It should be a good addition to the community.

Sincerely,

Jan Kaforski
Business Manager

Hoodland Fire District No. 74

69634 E. Highway 26 • Welches, Oregon 97067-9600

Business Phone: (503) 622-3256 • FAX: (503) 622-3125

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

December 17, 2009
Re: Letter of Intent

Dear Mr. Wilhelm,


We are writing to express our enthusiastic support for and intent to use the proposed Fiber Ring as submitted by Clackamas County

Our community is one of the most rural areas and is located at the very edge of the county with National forest on three sides and is very depending on technology infrastructure to help us provide emergency services in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future.

Additionally, we know that we and other public services located in our "edge of the world" rural area can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and other fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

Natural weather effects, from heavy snow melting rain that seasonally provides flooding and the dependable extreme snow events, historically impact our area. These natural hazards often challenge the existing communication systems. Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county would help provide us with consistent, dependable communication.

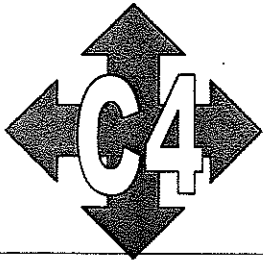
Sincerely,



Michael R. Eby
Fire Chief

Providing Fire Protection, Prevention & Education





Clackamas
County
Coordinating
Committee

Promoting partnership between the County, its Cities, and Special Districts

Anthony Wilhelm, Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

August 10, 2009

Dear Mr. Wilhelm,

The Clackamas County Coordinating Committee (C-4) is writing to express our enthusiastic support for the request submitted by Clackamas County for funding under the Broadband Technology Opportunities Program (BTOP) which was made possible by the American Recovery and Reinvestment Act (ARRA). Clackamas County's proposal to extend a public fiber broadband ring linking the urban and rural areas of our county, as well as providing access to public safety, educational, transportation and health care providers throughout the county seems like exactly the type of project that would meet the goals of BTOP.

As a combined group of local government agencies struggling to provide services to our constituents in this difficult economic climate, we understand how important any infrastructure investments are to the well being of a community. The BTOP is a critical funding source for seriously needed technology infrastructure in our communities and provides a rare opportunity for local, state, and federal government to establish partnerships with private sector providers that can benefit all involved while also having a positive overall economic impact.

Our largely rural communities are depending on technology infrastructure to help us compete in a global economy. Though once dependent on our natural resources, we have been making progress toward a more diversified economic future. We are looking at investments in renewable energy and green manufacturing to help our county transition to a knowledge-based economy. In conjunction with our transportation and land use policies, we believe that we are making strategic investments and building lasting partnerships that will provide the potential for long term job creation and economic development in our community.

Additionally, we know that our public services can benefit significantly from these strategic technology infrastructure investments. Clackamas County's proposal links a wide range of educational institutions, police and fire responders and traffic safety facilities through this robust broadband fiber ring and will allow us to improve public safety and information to assist citizens.

The opportunities provided by the BTOP are rare and should be optimally leveraged for public benefit and long-term sustainability. We believe Clackamas County's application for BTOP funding will meet these goals and benefit all of our communities. We hope you will see fit to award these funds to Clackamas County so we can continue building our technology future.

Sincerely,

Jim Bernard – Co-chair
County Commissioner

Alice Norris – Co-chair
Mayor of Oregon City



Portland General Electric Company

2213 S.W. 153rd Drive • Beaverton, Oregon 97006

June 24, 2009

Clackamas County Info Svcs

Attn: James L. White

999 Library Court

Oregon City, OR 97045-

RE: Notification of 2010 PGE Fee Schedule

Dear James L.,:

Attached you will find PGE's 2010 Fee Schedule. The attached schedule contains rates, fees and other charges calculated according to Division 28 requirements. These fees will take effect January 1, 2010.

PGE's policy is to not charge a government entity an annual pole rent charge for pole attachments used for a public purpose. This decision does not apply to municipal power and light government entities or government entities that have pole attachments to support a non-public purpose.

If you request PGE to assist you for activities requiring field inspection, make ready design and construction or others listed on the schedule, fees will be assessed consistent with your contract.

If you have any questions, please contact me at 503-672-5556.

Sincerely,

William J. Tierney
Utility Asset Management
Portland General Electric

PGE FEE SCHEDULE – 2010
For Wireline Attachments to Distribution Poles

1 Annual Rental Rate		
The compliant annual rental rate for one foot of space and one attachment		\$12.72
The non-compliant annual rental rate for one foot of space and one attachment		\$14.22
2 Sanctions⁽¹⁾:		
No Contract		\$500.00 Per Pole
No Permit		
Found by Pole Owner	\$100 per pole + 5 X current Annual Rental Rate	
Self-Identified by Occupant	5 X current Annual Rental Rate	
Violation of Other Duties		\$200.00 Per Pole
3 Field Inspection Activity (Pre-, Post-, and Special Inspections)		\$95.00 Per Hour
4 Make Ready Charges (Design, Engineering, Preconstruction Activities)		Approved Costs ⁽²⁾
5 Maps as Specifically Requested by Customer		\$25.00 Per Map
6 Late Payment Finance Charge⁽¹⁾:		18% per annum or max allowed by law
7 One Time Anchor Fees⁽³⁾:		
Down Guy Anchor	\$224 Per Attachment	
Sidewalk Pipe Anchor	\$266 Per Attachment	
8 Hardcopy of Government Reports Provided to Occupant		Actual Cost
9 Lower & Haul, Topping, Setting Poles work and Cost of Poles will be charged according to 2009 Flat Rate Billing Schedule.		
10 Crew Wasted Trip:		\$341.31 Per hour

All fees and penalties are subject to annual revision.

1. Unless otherwise specified in occupant's JU contract

2. PGE provides cost summary of PGE labor (currently at \$117.00), material, equipment, etc. which are approved by licensees.

3. PGE prefers no secondary attachments to our anchors.



Water Quality Protection
Surface Water Management
Wastewater Collection & Treatment

Michael S. Kuenzi, P.E.
Director

March 9, 2010

Anthony Wilhelm
Deputy Associate Administrator
Infrastructure Division, Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
United States Department of Commerce
Washington, DC
btop@ntia.doc.gov

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Sincerely,

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

Elizabeth Garcia
Business & Financial Services Manager

Comprehensive Community Infrastructure Key Metrics Dashboard

Please refer to the CCI Grant Guidelines for instructions on completing this form.

Applicant Profile	
Applicant Name	Clackamas County, OR
Title	Clackamas Broadband Innovation Initiative
Easygrants ID	5884
Headquarters	Oregon City, OR
Size (2009 Data) of Applicant Entity	<ul style="list-style-type: none"> Current Year Revenues: \$586,802,458 Employees: 1902
Technology Type	Fiber optic cable
Key Partners	SandyNet; Clackamas Education Service District

Project Economics			
Budget Information		Project Financials	
Project Budget	\$11,148,830	Project Revenues (Yr 8)	\$744,250
Federal Contribution (%)	70%	Net Income and Margin (Yr 8)	\$371,775
Cash Match Amount (%)	\$519,069 (4.7%)	EBITDA and Margin (Yr 8)	\$654,000
In Kind Match Amount (%)	\$2,825,580 (25.3%)	Rate of Return (w/o BTOP Funds)	0%
Middle Mile/Last Mile Budget Allocation		Rate of Return (w/ BTOP Funds)	15.15%
Middle Mile Percentage (%)	100%	Cost Efficiency	
Last Mile Percentage (%)	0%	Cost per Mile (MM)	\$61,938
Rural Last Mile Percentage	0%	Cost per Household (LM)	n/a

Market Territory	
Geographic Area(s)	Clackamas County, Oregon
Middle Mile Network Composition	
Total Proposed Network Miles (MM only)	<ul style="list-style-type: none"> Total Miles: 180 Backbone Miles: 123 Lateral Miles: 57
New Construction Network Miles (MM only)	<ul style="list-style-type: none"> Total Miles: 180 Backbone Miles: 123 Lateral Miles: 57
Existing Applicant Network Miles Utilized (MM only)	<ul style="list-style-type: none"> Total Miles: 0 Backbone Miles: 0 Lateral Miles: 0
Leased Network Miles Utilized (MM only)	<ul style="list-style-type: none"> Total Miles: 0 Backbone Miles: 0 Lateral Miles: 0
Underserved/Unserved	<ul style="list-style-type: none"> Percentage of Backbone Miles in Underserved/Unserved Areas: 74% Percentage of Lateral Miles in Underserved/Unserved Areas: 42%
Existing Customer Base	
Existing Residential/Individual Customers within PFSA	0 (new venture)

Comprehensive Community Infrastructure Key Metrics Dashboard

Existing Business Customers within PFSA	0 (new network to be started by County)
Existing Community Anchor Institution Customers within PFSA	<ul style="list-style-type: none"> • Total CAI's: 158 • Community Colleges:2 • Public Safety Entities:36
Existing Third Party Service Provider Customers within PFSA	0 (new network to be started by County)
Potential Customer Base	
Market Potential Households (within PFSA)	<ul style="list-style-type: none"> • Total HH's: 97,834 • Located in Underserved/Unserved Areas: 20,545
Market Potential Businesses (within PFSA)	<ul style="list-style-type: none"> • Total Businesses: 3651 • Located in Underserved/Unserved Areas: 401
Market Potential Community Anchor Institutions (within PFSA)	<ul style="list-style-type: none"> • Total CAI's: 158 • Located in Underserved/Unserved Areas: 63 • Community Colleges:2 • Public Safety Entities:36
Market Potential Third Party Service Providers (within PFSA)	<ul style="list-style-type: none"> • Total Third Party Service Providers in PFSA: 20 • Expressing Commitment or Letter of Interest: 2
Funded Network Coverage	
Households Connected to Network (via BTOP Funds by end of Year 3)	<ul style="list-style-type: none"> • Total Households Connected: 2000 • Located in Underserved/Unserved Areas: 1000
Businesses Connected to Network (via BTOP Funds by end of Year 3)	<ul style="list-style-type: none"> • Total Businesses Connected: 10 • Located in Underserved/Unserved Areas: 3
Community Anchor Institutions Directly Connected (via BTOP Funds by end of Year 3)	<ul style="list-style-type: none"> • Total Directly Connected CAI's: 158 • Located in Underserved/Unserved Areas: 63 • Community Colleges:2 • Public Safety Entities:36
Projected Subscribers by Year Five	<p><u>Directly Served by Applicant</u></p> <ul style="list-style-type: none"> • Community Anchor Institutions: 189 • Households: 0 • Businesses: 0 • Third Party Service Providers: 5 <p><u>Served by Proposed Network Via Third Party Service Provider</u></p> <ul style="list-style-type: none"> • Community Anchor Institutions: 0 • Households: 10,000 • Businesses: 1500

Comprehensive Community Infrastructure Key Metrics Dashboard

Other	
Proposed MM Network Capacity	<ul style="list-style-type: none"> • Backbone: 10 Gbps • Laterals: 1 Gbps
Proposed LM Network Speed	<ul style="list-style-type: none"> • Highest offered speed tier: n/a • Estimated Average speed for highest speed tier: n/a
Total Points of Interconnection	<ul style="list-style-type: none"> • Total Pol's: 3 • Pol's in Underserved/Unserved Areas: 2 • Environmentally-controlled, non-passive Pols: 3
Jobs Created	<ul style="list-style-type: none"> • Direct Job-years: 58 • Indirect Job-years: 20 • Induced Job-years: 43
Required Time for Project Completion (Number of Required Quarters to Fully Build-out and Test Network and Make Ready for Commercial Service)	8 Quarters

BTOP Comprehensive Community Infrastructure Community Anchor Institution and Network Points of Interest Detail Template

Please complete the Anchor Institution Details worksheet by providing information on Community Anchor Institutions that will be directly connected by the proposed network as necessary. All Community Anchor Institutions should be given a type from the specification. A Community Anchor Institution is considered a minority-serving institution if it is a post-secondary educational institution with enrollment of minority students exceeding 50% of its total enrollment. The "Project Role" column only requires a word or two, or a short phrase, not a detailed explanation of the role of project partners and community anchor institutions provided in the essay portions of the application.

Please complete the Points of Interest worksheet by providing information on all points of interest (passive, non-environmentally controlled points of interconnection, cell towers, etc. points, may be excluded), collocation facilities, central offices, head ends, and other central facilities, network access points to last mile service providers, Internet peering points, etc. For each point of interest you may provide either a street address or geocoordinates (lat/long). You must provide detail on what the point of interest is, whether it is already existing or will be created by the proposed project. Where more than one facility type applies, select the most appropriate facility type. For example, if a central office houses a point of interconnection, select central office as the facility type, or if a cell site is located on a tower, select tower as the facility type. Interconnection Available at the Facility field should be Yes if interconnection to the proposed network is available at that location, otherwise No. The brief description field is optional and can be used to convey a better understanding of what the facility is. You may use the space at the bottom of the table to provide additional notes, if desired.

The data provided via this template will be subject to automated processing. Applicants are therefore required to provide this upload as an Excel file, and not to convert it to a PDF or other format for upload. Additionally, applicants should not modify the format of this file.

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BTOP CCI Community Anchor Institutions Detail Template

Title: **Clackamas Broadband Innovation Initiative**
 Easy Grants ID: **5884**

Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
Kaiser Sunnyside Hospital	Private Hospital	10200 SE Sunnyside Rd	Clackamas County	OR	97015	Medical or Healthcare Provider		Anchor Institution
Willamette Falls Com. Hospital	Private Hospital	1500 Division St	Oregon City	OR	97045	Medical or Healthcare Provider		Anchor Institution
Providence Milwaukie Hospital	Private Hospital	10150 SE 32nd Ave	Milwaukie	OR	97222	Medical or Healthcare Provider		Anchor Institution
Willamette Falls Pediatric Grp	Private Hospital	200 S. Hazel Dell Way (off Fire #62	Canby	OR	97013	Medical or Healthcare Provider		Anchor Institution
Boring Middle	Clackamas ESD	27801 SE Dee St	Boring	OR	97009	School (k-12)		Anchor Institution
Damascus Christian Elementary	Clackamas ESD	14251 SE Rust Way	Boring	OR	97009	School (k-12)		Anchor Institution
Damascus Christian High	Clackamas ESD	14251 SE Rust Way	Boring	OR	97009	School (k-12)		Anchor Institution
Damascus Middle	Clackamas ESD	14151 SE 242nd Ave	Boring	OR	97009	School (k-12)		Anchor Institution
Deep Creek Elementary	Clackamas ESD	15600 SE 232nd Dr	Boring	OR	97009	School (k-12)		Anchor Institution
Good Shepherd School	Clackamas ESD	28986 SE Haley Rd	Boring	OR	97009	School (k-12)		Anchor Institution
Hood View Jr Academy	Clackamas ESD	26505 SE Kelso Rd	Boring	OR	97009	School (k-12)		Anchor Institution
Kelso Elementary	Clackamas ESD	34651 SE Kelso Rd	Boring	OR	97009	School (k-12)		Anchor Institution
Naas Elementary	Clackamas ESD	12240 SE School Ave	Boring	OR	97009	School (k-12)		Anchor Institution
Ackerman Middle	Clackamas ESD	350 SE 13th Ave	Canby	OR	97013	School (k-12)		Anchor Institution
Baker Prairie Middle	Clackamas ESD	1859 SE Township Rd	Canby	OR	97013	School (k-12)		Anchor Institution
Canby Community Preschool	Clackamas ESD	1520 N Holly St	Canby	OR	97013	School (k-12)		Anchor Institution
Canby High	Clackamas ESD	721 SW 4th Ave	Canby	OR	97013	School (k-12)		Anchor Institution
Eccles Elementary	Clackamas ESD	562 NW 5th Ave	Canby	OR	97013	School (k-12)		Anchor Institution
Knight Elementary	Clackamas ESD	501 N Grant St	Canby	OR	97013	School (k-12)		Anchor Institution
Lee Elementary	Clackamas ESD	1110 S Ivy St	Canby	OR	97013	School (k-12)		Anchor Institution
Trost Elementary	Clackamas ESD	800 S Redwood St	Canby	OR	97013	School (k-12)		Anchor Institution
Clackamas Elementary	Clackamas ESD	15301 SE 92nd Ave	Clackamas	OR	97015	School (k-12)		Anchor Institution
Clackamas High	Clackamas ESD	14486 SE 122nd Ave	Clackamas	OR	97015	School (k-12)		Anchor Institution
Full Circle Countryside	Clackamas ESD	16077 SE Hwy 224	Clackamas	OR	97004	School (k-12)		Anchor Institution
Oregon Trail Elementary	Clackamas ESD	13895 SE 152nd Dr	Clackamas	OR	97015	School (k-12)		Anchor Institution
Sunnyside Elementary	Clackamas ESD	13401 SE 132nd Ave	Clackamas	OR	97015	School (k-12)		Anchor Institution
Sunrise Middle	Clackamas ESD	14331 SE 132nd Ave	Clackamas	OR	97015	School (k-12)		Anchor Institution
Colton Elementary	Clackamas ESD	30439 S Grays Hill Rd	Colton	OR	97017	School (k-12)		Anchor Institution
Colton High	Clackamas ESD	30205 S Wall St	Colton	OR	97017	School (k-12)		Anchor Institution
Colton Middle	Clackamas ESD	21580 S Schieffer Rd	Colton	OR	97017	School (k-12)		Anchor Institution
Christ The Vine Early Childhood Center	Clackamas ESD	18677 SE Hwy 212	Damascus	OR	97089	School (k-12)		Anchor Institution
Eagle Creek Elementary	Clackamas ESD	30391 SE Hwy 211	Estacada	OR	97023	School (k-12)		Anchor Institution
Estacada High	Clackamas ESD	355 NE 6th Ave	Estacada	OR	97023	School (k-12)		Anchor Institution
Estacada Junior High	Clackamas ESD	500 NE Main St	Estacada	OR	97023	School (k-12)		Anchor Institution
River Mill Elementary	Clackamas ESD	850 N Broadway St	Estacada	OR	97023	School (k-12)		Anchor Institution
Mt Hood Academy	Clackamas ESD	88153 E Government Camp Loop	Government Camp	OR	97028	School (k-12)		Anchor Institution
John Wetten Elementary	Clackamas ESD	250 E Exeter	Gladstone	OR	97027	School (k-12)		Anchor Institution
Gladstone High	Clackamas ESD	18800 Portland Ave (off Gladstone	Gladstone	OR	97027	School (k-12)		Anchor Institution
Grace Christian	Clackamas ESD	6460 Glen Echo Ave (off Gladstone	Gladstone	OR	97027	School (k-12)		Anchor Institution

Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
Spring Mountain Elementary	Clackamas ESD	11645 SE Masa Ln	Happy Valley	OR	97236	School (k-12)		Anchor Institution
Ardenwald Elementary	Clackamas ESD	8950 Se 36th Ave	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Lewelling Elementary	Clackamas ESD	5325 SE Logus Rd	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Milwaukie Elementary	Clackamas ESD	11250 SE 27th Ave	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Whitcomb Elementary	Clackamas ESD	7400 SE Thompson Rd (off La Salle	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Milwaukie High School	Clackamas ESD	11300 SE 23rd Ave	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Campbell Elementary	Clackamas ESD	11326 SE 47th Ave	Milwaukie	OR	97222	School (k-12)		Anchor Institution
La Salle High	Clackamas ESD	11999 SE Fuller Rd	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Rowe Middle	Clackamas ESD	3606 SE Lake Rd	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Concord Elementary	Clackamas ESD	3811 SE Concord Rd	Milwaukie	OR	97267	School (k-12)		Anchor Institution
Candy Lane Elementary	Clackamas ESD	5901 SE Hull St	Milwaukie	OR	97267	School (k-12)		Anchor Institution
Jennings Lodge Elementary	Clackamas ESD	18521 SE River Rd	Milwaukie	OR	97267	School (k-12)		Anchor Institution
Christ the King School	Clackamas ESD	7414 SE Exeter Rd	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Alder Creek Middle	Clackamas ESD	13801 SE Webster Rd (off Milwauki	Milwaukie	OR	97267	School (k-12)		Anchor Institution
Sojourner School	Clackamas ESD	1905 SE Oak Grove Blvd	Milwaukie	OR	97267	School (k-12)		Anchor Institution
New Urban High School	Clackamas ESD	1901 SE Oak Grove Blvd	Milwaukie	OR	97267	School (k-12)		Anchor Institution
Linwood Elementary	Clackamas ESD	11909 SE Linwood Ave	Milwaukie	OR	97222	School (k-12)		Anchor Institution
St. John the Baptist	Clackamas ESD	10656 SE 25th Ave	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Oak Grave Elementary	Clackamas ESD	2150 SE Torbank Rd	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Riverside Elementary	Clackamas ESD	16303 SE River Rd	Milwaukie	OR	97267	School (k-12)		Anchor Institution
Putman High	Clackamas ESD	4950 SE Rothe Rd	Milwaukie	OR	97267	School (k-12)		Anchor Institution
El Puente Bilingual School	Clackamas ESD	11250 SE 27th Ave	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Mulwaukie Academy of the Arts	Clackamas ESD	11300 SE 23rd Ave	Milwaukie	OR	97222	School (k-12)		Anchor Institution
Country Christian School	Clackamas ESD	16975 S Hwy 211	Molalla	OR	97038	School (k-12)		Anchor Institution
Greenstone Montessori	Clackamas ESD	111 Swigle Ave	Molalla	OR	97038	School (k-12)		Anchor Institution
Molalla Elementary	Clackamas ESD	910 Toliver Rd (PO Box 206)	Molalla	OR	97038	School (k-12)		Anchor Institution
Molalla High	Clackamas ESD	357 Francis St (PO Box 309)	Molalla	OR	97038	School (k-12)		Anchor Institution
Molalla River Middle	Clackamas ESD	318 Leroy Ave (PO Box 225)	Molalla	OR	97038	School (k-12)		Anchor Institution
Mulino Elementary	Clackamas ESD	26660 S Hwy 213 (PO Box 838)	Mulino	OR	97042	School (k-12)		Anchor Institution
Alliance Charter Academy	Clackamas ESD	1404 7th St	Oregon City	OR	97045	School (k-12)		Anchor Institution
Eastham School	Clackamas ESD	1404 7th St	Oregon City	OR	97045	School (k-12)		Anchor Institution
Gaffney Lane Elementary	Clackamas ESD	13521 Gaffney Ln	Oregon City	OR	97045	School (k-12)		Anchor Institution
Gardiner Middle	Clackamas ESD	180 Ethel St	Oregon City	OR	97045	School (k-12)		Anchor Institution
Hera Community School	Clackamas ESD	903 Van Buren St	Oregon City	OR	97045	School (k-12)		Anchor Institution
John McLoughlin Elementary	Clackamas ESD	19230 South End Rd	Oregon City	OR	97045	School (k-12)		Anchor Institution
King Elementary	Clackamas ESD	995 South End Rd	Oregon City	OR	97045	School (k-12)		Anchor Institution
Marylhurst Early Childhood Center	Clackamas ESD	817 12th St	Oregon City	OR	97045	School (k-12)		Anchor Institution
Mt Pleasant Elementary	Clackamas ESD	1232 Linn Ave	Oregon City	OR	97045	School (k-12)		Anchor Institution
N Clackamas Christian Elementary	Clackamas ESD	19575 Sebastian Way (off Clackam	Oregon City	OR	97045	School (k-12)		Anchor Institution
N Clackamas Christian High	Clackamas ESD	19575 Sebastian Way (off Element	Oregon City	OR	97045	School (k-12)		Anchor Institution
Oregon City High	Clackamas ESD	19761 Beavercreek Rd (off Clackar	Oregon City	OR	97045	School (k-12)		Anchor Institution
Oregon City High Jackson Campus	Clackamas ESD	1306 12th St	Oregon City	OR	97045	School (k-12)		Anchor Institution
Oregon City Service Learning Academy	Clackamas ESD	1306 12th St	Oregon City	OR	97045	School (k-12)		Anchor Institution
SAGE (Alternative)	Clackamas ESD	1505 12th St	Oregon City	OR	97045	School (k-12)		Anchor Institution
St John the Apostle School	Clackamas ESD	516 5th St	Oregon City	OR	97045	School (k-12)		Anchor Institution
Mount Scott Elementary	Clackamas ESD	11201 SE Stevens Rd (off FD1 # 5	Portland	OR	97266	School (k-12)		Anchor Institution

Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
Cedar Ridge Middle	Clackamas ESD	17225 Smith Ave	Sandy	OR	97055	School (k-12)		Anchor Institution
Firwood Elementary	Clackamas ESD	42900 SE Firwood School Rd	Sandy	OR	97055	School (k-12)		Anchor Institution
Sandy Grade	Clackamas ESD	38955 Pleasant St	Sandy	OR	97055	School (k-12)		Anchor Institution
Sandy High	Clackamas ESD	17100 Bluff Rd	Sandy	OR	97055	School (k-12)		Anchor Institution
Welches Elementary	Clackamas ESD	24901 E Salmon River Rd	Welches	OR	97067	School (k-12)		Anchor Institution
Welches Middle	Clackamas ESD	24903 E Salmon River Rd	Welches	OR	97067	School (k-12)		Anchor Institution
North Clackamas #12	Clackamas ESD	14770 SE 162nd Ave	Damascus/N Clack	OR	97222	School (k-12)		Anchor Institution
North Clackamas #12	Clackamas ESD	14850 SE 162nd	Damascus/N Clack	OR	97222	School (k-12)		Anchor Institution
Clackamas Community College	Clackamas ESD	19600 Molalla Ave	Oregon City	OR	97045	Community College		Anchor Institution
Oregon Institute of Technology	Clackamas ESD	7726 SE Harmony Road	Portland	OR	97222	Community College		Anchor Institution
Canby Police	Police/Sheriff	122 N Holly St	Canby	OR	97013	Public Safety Entity		Anchor Institution
CCSO - Happy Valley Pct	Police/Sheriff	200 SW Club House Dr	Estacada	OR	97023	Public Safety Entity		Anchor Institution
Clackamas County Sheriff	Police/Sheriff	2223 S Kaen Rd	Oregon City	OR	97045	Public Safety Entity		Anchor Institution
Clackamas County Sheriff	Police/Sheriff	12800 SE 82nd Ave	Clackamas	OR	97015	Public Safety Entity		Anchor Institution
Gladstone Police	Police/Sheriff	535 Portland Ave (off Gladstone line	Gladstone	OR	97027	Public Safety Entity		Anchor Institution
Milwaukie Police	Police/Sheriff	3200 SE Harrison St	Milwaukie	OR	97222	Public Safety Entity		Anchor Institution
Molalla Police	Police/Sheriff	117 N Molalla Ave	Molalla	OR	97038	Public Safety Entity		Anchor Institution
North Station	Police/Sheriff	12800 SE 82nd Ave	Clackamas	OR	97015	Public Safety Entity		Anchor Institution
Oregon City Police	Police/Sheriff	320 Warner Milne Rd	Oregon City	OR	97045	Public Safety Entity		Anchor Institution
Sandy Police	Police/Sheriff	38970 SE Proctor Blvd	Sandy	OR	97055	Public Safety Entity		Anchor Institution
Clackamas Correct Residential	Corrections	9200 SE McBrod Ave	Milwaukie	OR	97222	Public Safety Entity		Anchor Institution
Clackamas Correct Facility	Corrections	9000 SE McBrod Ave	Milwaukie	OR	97222	Public Safety Entity		Anchor Institution
CITY OF ESTACADA Station 110	Fire Station	261 SE 5TH AVE	ESTACADA	OR		Public Safety Entity		Anchor Institution
CITY OF OREGON CITY Station 15	Fire Station	624 7TH ST	OREGON CITY	OR		Public Safety Entity		Anchor Institution
CITY OF OREGON CITY Station 16	Fire Station	19340 S MOLALLA AVE (off Clacka	OREGON CITY	OR		Public Safety Entity		Anchor Institution
CITY OF OREGON CITY Station 17	Fire Station	19001 SOUTH END RD	OREGON CITY	OR		Public Safety Entity		Anchor Institution
FD1 CLACKAMAS Station 1	Fire Station	11300 SE FULLER RD	MILWAUKIE	OR		Public Safety Entity		Anchor Institution
FD1 CLACKAMAS Station 2	Fire Station	3200 SE HARRISON (off Milwaukie	MILWAUKIE	OR		Public Safety Entity		Anchor Institution
FD1 CLACKAMAS Station 3	Fire Station	2930 OAK GROVE BLVD	MILWAUKIE	OR		Public Safety Entity		Anchor Institution
FD1 CLACKAMAS Station 4	Fire Station	6600 SE LAKE RD (off Milwaukie C	MILWAUKIE	OR		Public Safety Entity		Anchor Institution
FD1 CLACKAMAS Station 5	Fire Station	9339 SE CAUSEY AVE	HAPPY VALLEY	OR		Public Safety Entity		Anchor Institution
FD1 CLACKAMAS Station 8	Fire Station	16100 SE 130TH AVE	CLACKAMAS	OR		Public Safety Entity		Anchor Institution
FD1 CLACKAMAS Station 1	Fire Station	11300 SE FULLER RD (off La Salle	MILWAUKIE	OR		Public Safety Entity		Anchor Institution
FD59 BORING Station 140	Fire Station	28655 SE HWY 212	BORING	OR		Public Safety Entity		Anchor Institution
FD59 BORING Station 149	Fire Station	20100 SE HWY 212	DAMASCUS	OR		Public Safety Entity		Anchor Institution
FD59 BORING Station 148	Fire Station	32200 SE JUDD RD	EAGLE CREEK	OR		Public Safety Entity		Anchor Institution
FD62 CANBY Station 62	Fire Station	221 S PINE ST	CANBY	OR		Public Safety Entity		Anchor Institution
FD70 COLTON Station 123	Fire Station	24479 S ELWOOD RD	COLTON	OR		Public Safety Entity		Anchor Institution
FD70 COLTON Station 129	Fire Station	20987 S HWY 211	COLTON	OR		Public Safety Entity		Anchor Institution
FD72 SANDY Station 72	Fire Station	17460 BRUNS AVE	SANDY	OR		Public Safety Entity		Anchor Institution
FD73 MOLALLA Station 82	Fire Station	320 N MOLALLA AVE	MOLALLA	OR		Public Safety Entity		Anchor Institution
FD73 MOLALLA Station 81	Fire Station	27689 S HWY 213	MULINO	OR		Public Safety Entity		Anchor Institution
FD74 HOODLAND Station 252	Fire Station	61388 E HWY 26	BRIGHTWOOD	OR		Public Safety Entity		Anchor Institution
FD74 HOODLAND Station 253	Fire Station	87600 E GOVERNMENT CAMP LOO	GOVERNMENT CAMP	OR		Public Safety Entity		Anchor Institution

BTOP Comprehensive Community Infrastructure Subscriber Estimates Template

Please complete the complete the Subscriber Estimates worksheet.

All applicants should indicate their 8-year subscriber forecasts with a breakdown by type of subscriber (residential/individual, businesses, community anchor institutions, third party service providers) and service offerings. The names of the service offerings should match those provided in the Service Offering and Competitor Data upload, enabling reviewers to easily cross-reference between the two documents. The Year 0 column should be used to denote any existing customers within the Proposed Funded Service Area. In addition, applicants that project that they will have third party service provider customers should include a line for parties "Served by Third Party Service Providers," showing an estimate of how many residential/individual, community anchor institution, and business customers will be served by those service providers, as demonstrated in the example below. At the bottom of the table, applicants should provide customer totals across all service offerings, with and without customers indirectly served through a third party service provider (if applicable). Applicants should also include a brief discussion of their methodology for deriving these estimates.

In contrast to several other upload templates in this application, the data provided via this template will NOT be subject to automated processing. Applicants are permitted to modify the template layout in order to provide the most effective presentation of the data for their specific project, but such modifications are generally discouraged. Applicants should, in any case, ensure that they provide at least as much detail as the provided template requires. To the extent that you modify these templates please ensure that the print layouts are adjusted so that rows do not break across pages in a manner that will be difficult to understand. A PDF of this file will be automatically generated upon upload to Easygrants, and the print settings will be used to format the PDF file.

EXAMPLE

Name of Service Offering	Customer Type	Year 0	Cumulative/ Net Add	Year 1				Year 2			
				Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Mega-Metro E - 100 Mbps	Community Anchor Inst.	0	Cumulative	0	0	0	0	5	10	17	26
			Net Add	0	0	0	0	5	5	7	9
	Business	0	Cumulative	0	0	0	0	12	27	52	82
			Net Add	0	0	0	0	12	15	25	30
	Third Party Service Provider	0	Cumulative	0	0	0	0	1	2	4	6
			Net Add	0	0	0	0	1	1	2	2
Served by Third Party Service Providers	Indirect - Res./Ind.	0	Cumulative	0	0	0	0	1000	3000	5000	10000
			Net Add	0	0	0	0	1000	2000	2000	5000
	Indirect - Business	0	Cumulative	0	0	0	0	2	8	18	30
			Net Add	0	0	0	0	2	6	10	12
	Indirect - Com. Anchor Inst.	0	Cumulative	0	0	0	0	0	2	3	5
			Net Add	0	0	0	0	0	2	1	2

Broadband Subscriber Estimates

Name of Service Offering	Customer Type	Year 0	Cumulative/ Net Add	Year 1				Year 2			
				Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Fiber Pair - Public Entities	Community Anchor Inst.		Cumulative	0	22	50	74	91	108	133	159
			Net Add	0	22	28	24	17	17	25	26
Fiber pair - Private last Mile Provider	Third Party Service Provider		Cumulative	0	0	0	0	0	0	0	0
			Net Add	0	0	0	0	0	0	0	0
Served by Third Party Service Providers	Indirect - Res./Ind.		Cumulative	0	0	0	0	0	0	0	0
			Net Add	0	0	0	0	0	0	0	0
Served by Third Party Service Providers	Indirect - Business		Cumulative	0	0	0	0	0	0	0	0
			Net Add	0	0	0	0	0	0	0	0
			Cumulative								
			Net Add								
			Cumulative								
			Net Add								
Cumulative Totals (excluding Indirect)	Residential/Individual		Total								
	Business		Total								
	Community Anchor Inst.		Total	0	22	50	74	91	108	133	159
	Third Party Service Provider		Total	0	0	0	0	0	0	0	0
Cumulative Totals (including Indirect)	Residential/Individual		Total	0	0	0	0	0	0	0	0
	Business		Total	0	0	0	0	0	0	0	0
	Community Anchor Inst.		Total								
			Total								

Table of Customer Types

Residential/Individual
Business
Community Anchor Inst.
Third Party Service Provider
Indirect - Res./Ind.
Indirect - Business
Indirect - Com. Anchor Inst.

Explanation of Methodology:

The subscriber projections on this sheet are common with those used in the Pro Forma financial projections.

The anchor institutions are assumed to come on line gradually over the first two years. We took a conservative approach, showing 8-10 additional anchors coming on during years 3-8.

We are also projecting a conservative number of 3 third-party service parties coming on line, starting in year 3, and averaging one per year over 8 years.

For the total number of residences and businesses (indirect customers) which the third party providers will serve, we are projecting an ultimate penetration percentage of approx 20% of households in the Service Area.

Name of Service Offering	Customer Type	Year 3				Year 4				Year 5			
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Fiber Pair - Public Entities	Community Anchor Inst.	161	163	166	169	171	173	176	179	181	183	186	189
		2	2	3	3	2	2	3	3	2	2	3	3
Fiber pair - Private last Mile Provider	Third Party Service Provider	2	2	2	2	3	3	3	3	5	5	5	5
		2	0	0	0	1	0	0	0	2	0	0	0
Served by Third Party Service Providers	Indirect - Res./Ind.	0	500	1000	2000	2500	3000	3500	4000	5500	7000	8500	10000
		0	500	500	1000	500	500	500	500	1500	1500	1500	1500
Served by Third Party Service Providers	Indirect - Business	0	0	5	10	20	30	40	50	80	110	140	170
		0	0	5	5	10	10	10	10	30	30	30	30
Cumulative Totals (excluding Indirect)	Residential/Individual Business												
	Community Anchor Inst.	161	163	166	169	171	173	176	179	181	183	186	189
	Third Party Service Provider	2	2	2	2	3	3	3	3	5	5	5	5
Cumulative Totals (including Indirect)	Residential/Individual Business	0	500	1000	2000	2500	3000	3500	4000	5500	7000	8500	10000
	Business	0	0	5	10	20	30	40	50	80	110	140	170
	Community Anchor Inst.												

Table of Customer Types

Residential/Individual Business
Community Anchor Inst.
Third Party Service Provider
Indirect - Res./Ind.
Indirect - Business
Indirect - Com. Anchor Inst.

Name of Service Offering	Customer Type	Year 6				Year 7				Year 8			
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Fiber Pair - Public Entities	Community Anchor Inst.	191	193	196	199	201	203	206	209	211	213	216	219
		2	2	3	3	2	2	3	3	2	2	3	3
Fiber pair - Private last Mile Provider	Third Party Service Provider	6	6	6	6	7	7	7	7	8	8	8	8
		1	0	0	0	1	0	0	0	1	0	0	0
Served by Third Party Service Providers	Indirect - Res./Ind.	11500	13000	14500	16000	17000	18000	19000	20000	20500	21000	21500	22000
		1500	1500	1500	1500	1000	1000	1000	1000	500	500	500	500
Served by Third Party Service Providers	Indirect - Business	200	230	260	290	310	330	350	370	380	390	400	410
		30	30	30	30	20	20	20	20	10	10	10	10
Cumulative Totals (excluding Indirect)	Residential/Individual Business												
	Community Anchor Inst.	191	193	196	199	201	203	206	209	211	213	216	219
	Third Party Service Provider	6	6	6	6	7	7	7	7	8	8	8	8
Cumulative Totals (including Indirect)	Residential/Individual Business	11500	13000	14500	16000	17000	18000	19000	20000	20500	21000	21500	22000
	Business	200	230	260	290	310	330	350	370	380	390	400	410
	Community Anchor Inst.												

Table of Customer Types

Residential/Individual Business
Community Anchor Inst.
Third Party Service Provider
Indirect - Res./Ind.
Indirect - Business
Indirect - Com. Anchor Inst.

BTOP Comprehensive Community Infrastructure Pro Forma Financial Projections

Please complete the Income Statement, Balance Sheet, Cash Flows, and NPV-IRR Table worksheets. Key assumptions used to formulate these financial projections should be listed in the Key Assumptions worksheet. Please note that these are **project-specific** projections, in contrast to the historical financial information which is provided at the organizational level.

Please refer to the Comprehensive Community Infrastructure Grant Guidance for detailed instructions on the completing this upload.

Applicants are required to provide this upload as an Excel file, and not to convert it to a PDF prior to upload. Applicants may make adjustments to the format of the templates as necessary to provide the most effective presentation of the data for their specific project, but should not remove major headings (*e.g.* Revenues and Expenses on the Income Statement) or provide less detailed information than would be required to complete the provided templates.

Income Statement

	Forecast Period							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Revenues								
Broadband Offerings								
Wholesale Data (a)	\$ 109,500	\$ 368,250	\$ 494,250	\$ 524,250	\$ 554,250	\$ 584,250	\$ 614,250	\$ 644,250
Retail Data	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dark Fiber (b)	\$ -	\$ -	\$ 25,000	\$ 37,500	\$ 62,500	\$ 75,000	\$ 87,500	\$ 100,000
Collocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (list specific services)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Network Driven Revenues								
Video Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Voice Services (local/toll/long distance)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (list specific services)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Universal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installation Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 109,500	\$ 368,250	\$ 519,250	\$ 561,750	\$ 616,750	\$ 659,250	\$ 701,750	\$ 744,250
Expenses								
Backhaul	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Network Maintenance/Monitoring ©	\$ 42,000	\$ 73,500	\$ 79,000	\$ 82,750	\$ 90,250	\$ 90,250	\$ 90,250	\$ 90,250
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leasing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales/Marketing (d)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Care (d)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Billing (d)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate G&A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 42,000	\$ 73,500	\$ 79,000	\$ 82,750	\$ 90,250	\$ 90,250	\$ 90,250	\$ 90,250
EBITDA	\$ 67,500	\$ 294,750	\$ 440,250	\$ 479,000	\$ 526,500	\$ 569,000	\$ 611,500	\$ 654,000
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization (e)	\$ 138,721	\$ 282,225	\$ 282,225	\$ 282,225	\$ 282,225	\$ 282,225	\$ 282,225	\$ 282,225
Earnings Before Interest and Taxes	\$ (71,221)	\$ 12,525	\$ 158,025	\$ 196,775	\$ 244,275	\$ 286,775	\$ 329,275	\$ 371,775
Interest Expense (f)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Before Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax (g)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Taxes (g)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income	\$ (71,221)	\$ 12,525	\$ 158,025	\$ 196,775	\$ 244,275	\$ 286,775	\$ 329,275	\$ 371,775

Income Statement Notes:

(a) **Wholesale Data Revenues** – Wholesale Data Revenues in Year 1 represent seventy-four (74) community anchor institutions connected throughout the year at an access rate of \$250.00 per month (No anchors were connected in the first quarter of Year 1. In the 2nd quarter of Year 1, 22 anchors were connected at \$250.00 per month for 9 months. In the 3rd quarter of Year 1, 28 additional anchors were connected at \$250.00 per month for 6 months; and in the last quarter of Year 1, 24 additional anchors were connected at \$250.00 per month for 3 months, for a total access revenue for Year 1 of \$109,500.00).

In Year 2, an additional 85 anchor institutions are added for a total access revenue of \$368,250.00 (In the first quarter of Year 2, 17 anchors were connected at \$250.00 per month for 12 months. In the 2nd quarter of Year 2, 17 additional anchors were connected at \$250.00 per month for 9 months. In the 3rd quarter of Year 2, 25 additional anchors were connected at \$250.00 per month for 6 months; and in the last quarter of Year 2, 26 additional anchors were connected at \$250.00 per month for 3 months, for a total access revenue for additional anchors for Year 2 of \$146,250. The revenue from existing anchors (74) at \$250.00 per month for 12 months equates to a total of \$222,000.00 for Year 2).

Year 3 - 8 represents total revenues of the new 159 anchor institutions completed by Year 2 at \$250.00 per month for 12 months. Beginning with Year 3 and running through Year 8, 2 anchors were added during the 1st and 2nd quarter respectively; 3 anchors were added during the 3rd and 4th quarter respectively. The annual revenue was prorated based on the quarter the anchors were brought on line. By the end of Year 8, 219 anchors were connected.

(b) **Dark Fiber Revenue** - In Year 3 two (2) service providers are added to the network (at a cost to each one of them of a one time fee of \$15,000 [with \$500 realized and \$14,500 deferred]) with access services provided at \$1,000 per month for 12 months (\$12,000) each. In Year 4 one (1) more service provider was added (at a cost of a one time fee of \$15,000 [with \$500 realized and \$14,500 deferred]) with access services provided at \$1,000.00 per month for 12 months (\$12,000). In Year 5 we added more 2 service providers (at a cost to each one of them of a one time fee of \$15,000 [with \$500 realized and \$14,500 deferred]) with access services provided at \$1,000 per month for 12 months (\$12,000) each. In Years 6 - 8 we added 1 service provider per year, under the same terms outlined above, for a total of 8 service providers by the end of Year 8. \$500/year per provider is recognized as revenue from the deferred revenue account.

(c) **Network Maintenance/Monitoring** – Network maintenance/monitoring are comprised of oversight of the network, preventative and demand maintenance, relocation of network facilities, etc. and equates to an initial annual expense of \$42,000 in Year 1, escalating higher as more community anchor institutions and service providers are interconnected to the network.

(d) **Sales/Marketing, Customer Care, Billing and other Administrative Expenses** - The County has the capabilities to assume sales/marketing (outreach), customer care, billing and other general and administrative expenses within existing operations (See FY 2009 and FY 2010 budgetary financial statements for documented capabilities), so no additional expense is shown here.

(e) **Amortization Expense** – The amortization expense is a straight-line amortization calculated over a 30 year projected life of a fiber network (total cost of \$8,323,250).

(f) **Interest expense** – No interest expense is shown, since no debt is being assumed to construct or operate the network.

(g) **Tax Expense** – The County, as a government entity, is tax exempt.

Balance Sheet

Assets	Forecast Period							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Current Assets								
Cash	\$ 67,500	\$ 362,250	\$ 831,500	\$ 1,324,000	\$ 1,878,000	\$ 2,459,000	\$ 3,082,000	\$ 3,747,000
Marketable Securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepayments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Assets	\$ 67,500	\$ 362,250	\$ 831,500	\$ 1,324,000	\$ 1,878,000	\$ 2,459,000	\$ 3,082,000	\$ 3,747,000
Non-Current Assets								
Long-Term Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortizable Asset (Net of Amortization) (a)	\$ 4,022,904	\$ 7,902,304	\$ 7,620,079	\$ 7,337,854	\$ 7,055,629	\$ 6,773,403	\$ 6,491,178	\$ 6,208,953
Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Current Assets	\$ 4,022,904	\$ 7,902,304	\$ 7,620,079	\$ 7,337,854	\$ 7,055,629	\$ 6,773,403	\$ 6,491,178	\$ 6,208,953
Total Assets	\$ 4,090,404	\$ 8,264,554	\$ 8,451,579	\$ 8,661,854	\$ 8,933,629	\$ 9,232,403	\$ 9,573,178	\$ 9,955,953
Liabilities and Owners' Equity								
Liabilities	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Current Liabilities								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Liabilities	\$ -	\$ -	\$ 29,000	\$ 42,500	\$ 70,000	\$ 82,000	\$ 93,500	\$ 104,500
Total Current Liabilities	\$ -	\$ -	\$ 29,000	\$ 42,500	\$ 70,000	\$ 82,000	\$ 93,500	\$ 104,500
Long-Term Liabilities								
Long Term Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Long Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Owner's Equity								
Capital Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Paid-In Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retained Earnings (b)	\$ 4,090,404	\$ 8,264,554	\$ 8,422,579	\$ 8,619,354	\$ 8,863,629	\$ 9,150,403	\$ 9,479,678	\$ 9,851,453
Total Equity	\$ 4,090,404	\$ 8,264,554	\$ 8,422,579	\$ 8,619,354	\$ 8,863,629	\$ 9,150,403	\$ 9,479,678	\$ 9,851,453
Total Liabilities and Owner's Equity	\$ 4,090,404	\$ 8,264,554	\$ 8,451,579	\$ 8,661,854	\$ 8,933,629	\$ 9,232,403	\$ 9,573,178	\$ 9,955,953

Balance Sheet Notes:

(a) **Amortizable Asset (Net of Amortization)** – Amortizable Asset includes \$7,804,181 in BTOP Grant Funds (as requested) and \$519,069 from the County’s matching funds to construct, install and activate the network less the annual amoritization of the Asset. Please note, Year 1 represents a 50% distribution of the BTOP grant and the county matching funds, less the amoritization of the asset of \$138,721. In Year 2 the remaining 50% of the grant funds are distributed and combined with the County's matching funds, less ammoritization, for a total asset of \$7,902,304 at the end of Year 2. The In-Kind contribution of \$2,825,580 is recorded and amortized in the departments which purchase the equipment.

(b) **Retained Earnings** – The Retained Earnings includes Net Income.

Statement of Cash Flows

	Forecast Period							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Beginning Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net Income	(71,221)	12,525	158,025	196,775	244,275	286,775	329,275	371,775
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>								
Add: Depreciation	-	-	-	-	-	-	-	-
Add: Amortization	138,721	282,225	282,225	282,225	282,225	282,225	282,225	282,225
<i>Changes in Current Assets and Liabilities:</i>								
Marketable Securities	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-	-
Accounts Payable	-	-	-	-	-	-	-	-
Other Current Liabilities (a)	-	-	29,000	13,500	27,500	12,000	11,500	11,000
Net Cash Provided (Used) by Operations	\$ 67,500	\$ 294,750	\$ 469,250	\$ 492,500	\$ 554,000	\$ 581,000	\$ 623,000	\$ 665,000
CASH FLOWS FROM INVESTING ACTIVITIES:								
Capital Expenditures (b)	4,161,625	4,161,625	-	-	-	-	-	-
Amortizable Asset (Net of Amortization)	-	-	-	-	-	-	-	-
Long-Term Investments	-	-	-	-	-	-	-	-
Net Cash Used by Investing Activities	\$ 4,161,625	\$ 4,161,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH FLOWS FROM FINANCING ACTIVITIES:								
Notes Receivable	-	-	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-	-
Additional Paid-in Capital ©	4,161,625	4,161,625	-	-	-	-	-	-
Additions to Patronage Capital Credits	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-
Net Cash Provided by Financing Activities	\$ 4,161,625	\$ 4,161,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Cash	\$ 67,500	\$ 294,750	\$ 469,250	\$ 492,500	\$ 554,000	\$ 581,000	\$ 623,000	\$ 665,000
Ending Cash	\$ 67,500	\$ 362,250	\$ 831,500	\$ 1,324,000	\$ 1,878,000	\$ 2,459,000	\$ 3,082,000	\$ 3,747,000

Statement of Cash Flow Notes:

(a) deferred revenue

(b) Capital Expenditure of the installation, construction and development of the network

(c) Additional Paid in Capital is the grant funds and county match

NPV/IRR Table

	Net Present Value	Internal Rate of Return
Without BTOP Funding	\$0.00	0.00%
With BTOP Funding	\$3,371,641	15.15%

Revenue Assumptions		
Factor	Specific Metric Used in Analysis	Rationale (Cite Basis)
Customers Passed		
Anchor Institutions - Segment A	74 anchor institutions connected in Year 1	Anchor Institutions are aware of project and will be ready to commit to connect as soon as possible. Expecting to add 2 or 3 more per quarter during years 3-8.
Anchor Institutions - Segment B	85 anchor institutions connected in Year 2	Anchor Institutions are aware of project and will be ready to commit to connect as soon as possible. Expecting to add 2 or 3 more per quarter during years 3-8.
Businesses	n/a	Middle Mile - all these customers are indirect
Households	n/a	Middle Mile - all these customers are indirect
Last Mile Providers	Year 4 - one provider; Year 5 - two more providers	Once the network is established within the county, third party providers will want to access subscribers throughout the county.
Other		
Take Rate (should likely vary across 8-Year Forecast)		
Anchor Institutions - Segment A	100% take rate within 159 initial anchor institutions	All anchor institutions have committed to use the network; 100% take rate expected
Anchor Institutions - Segment B	100% take rate within 159 initial anchor institutions	All anchor institutions have committed to use the network; 100% take rate expected
Businesses	n/a	
Households	n/a	
Last Mile Providers	40%	Projecting that at approx. 8 providers out of the 20+ service providers in the area will commit to leasing capacity on the network.
Direct Customer Connections		
Customer Segment A	74 anchor institutions connected in Year 1	Since this is a Middle Mile project, the only Direct Customer Connections will be anchor institutions.
Customer Segment B	85 anchor institutions connected in Year 2	Since this is a Middle Mile project, the only Direct Customer Connections will be anchor institutions.
Other	n/a	
Average Revenue per User (may vary across 8-year forecast)		
Anchor Institutions - Segment A	\$250 per anchor institution per month	This rate has been negotiated with the county's anchor institutions.
Anchor Institutions - Segment B	\$250 per anchor institution per month	This rate has been negotiated with the county's anchor institutions.
Businesses		
Households		
Last Mile Providers	one time fee of \$15,000 plus \$1000 per month	This is a reasonable monthly rate for the amount of fiber to be leased.
Other		

Expense Assumptions		
Factor	Specific Metric Used in Analysis	Rationale (Cite Basis)
Network Expenses		
Backhaul		
Maintenance	Year 1 ramp-up expense: \$42,000. Grows to \$73,500 the next year and levels in subsequent years.	Network oversight costs, preventive and on-demand maintenance, relocation of network facilities.
Utilities		
Leasing		
Depreciation		
Other		
Sales & Marketing		
Advertising	n/a	The County has the capabilities to assume sales/marketing (outreach), customer care, billing and other general and administrative expenses within existing operations, so no additional expense is shown here.
Commissions	n/a	
Salaries	n/a	
Other	n/a	
Customer Care & Billing		
Systems	n/a	The County has the capabilities to assume sales/marketing (outreach), customer care, billing and other general and administrative expenses within existing operations, so no additional expense is shown here.
Personnel	n/a	
Other	n/a	
General & Administrative		
Professional Services		
Insurance		
Non-Network Utilities		
Travel		
Supplies		
Miscellaneous		
Interest Expenses		
Debt Instrument A		
Debt Instrument B		
Taxes		

Federal Tax Rate	n/a	The County, as a government entity, is tax exempt.
Other Tax Rates		



Comprehensive Community Infrastructure **Budget Narrative Template**

Applicant Name: Clackamas County, OR

EasyGrants Number: 5884

Organization Type: County Government

Proposed Period of Performance: Sept 30, 2010 – Dec 31, 2012

Total Project Costs: \$11,148,830

Total Federal Grant Request: \$7,804,181

Total Matching Funds (Cash): \$519,069

Total Matching Funds (In-Kind): \$2,825,580

Total Matching Funds (Cash + In-Kind): \$3,344,649

Total Matching Funds (Cash + In-Kind) as Percentage of Total Project Costs: 30%

1. Administrative and legal expenses - \$522,580

- Provide a breakout of position(s), time commitment(s) such as hours or level-of-effort, and salary information/rates with a detailed explanation, and additional information as needed.

The Clackamas Broadband Innovation Initiative contains a total of \$522,580 in Administrative expenses, The majority of these costs (\$505,580, or 96.8%) consist of in-kind matching contributions by the county in the form of professional services. This includes a full-time project manager for 3 years, as well as professional services by existing county personnel. An existing network engineer is projected to spend 25% of his time for 3 years on the project, and the department manager is projected to spend 20% of his time over a 3-year period. Outside of the professional service costs, this category also includes a total of \$17,000 in Network Management software and hardware: \$10,000 for network management software and \$7,000 for its associated server. This \$17,000 cost represents 3.2% of the Administrative cost of the project.

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

Cash Source n/a



- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

The County calculated the expected time to be spent by its Technical Services personnel on the build-out and administration of the project. One person would be hired as a full-time Project manager; the other costs are determined by calculating a percentage of a FTE (Full Time Equivalent) for existing personnel. As described above, an existing network engineer is projected to spend 25% of his time for 3 years on the project, and the department manager is projected to spend 20% of his time over a 3-year period.

2. Land, structure, rights-of-way, appraisals, etc. – n/a

- Provide description of estimated costs, proposed activities, and additional information as needed.

n/a

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

n/a

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

n/a

3. Relocation expenses and payment - n/a

- Provide explanation for the relocation, description of the person involved in the relocation, method used to calculate costs, and additional information as needed.

n/a

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

n/a

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

n/a

4. Architectural and engineering fees - \$1,183,084

- Provide description of estimated fees, rates, explanation of proposed services, and additional information as needed.



The County has worked with Engineering Associates, a Professional Engineering firm specializing in telecommunications, while preparing this application. In addition, the County has worked with North Sky Communications, an experienced telecommunications specialty contracting firm, in analyzing and determining the route of the fiber optic cable. Through the collaboration of these two professional firms, Clackamas County has obtained an estimate of the engineering costs of the project. The estimated cost for the outside plant engineering is \$1,183,084, which is 10.6% of the entire project, or 16.8% of the outside construction budget. On a per-unit basis this amount equates to \$6547 per mile. Both of these figures are well within commonly used budgetary guidelines for outside plant engineering.

The outside plant engineering cost includes the following tasks:

- Field engineering including staking of new cable routes
- Construction drawings and specifications for new cable routes
- “Make ready” work for all aerial cable routes
- On-site inspection during cable construction phase
- As-built drawings and project closeouts
- Resident Engineering for multiple construction crews

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

No matching funds will be contributed toward this cost.

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

No matching funds will be contributed toward this cost.

5. Other architectural and engineering fees – n/a

- Provide description of estimated fees, rates, explanation of proposed services, and additional information as needed.

No additional Architectural or Engineering fees are included in the project. All such costs are noted in Section 4 above.

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

n/a



- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

n/a

6. Project inspection fees – n/a

- Provide description of estimated fees, rates, explanation of proposed services, and additional information as needed.

n/a

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

n/a

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

n/a

7. Site work – n/a

- Provide description of estimated fees, rates, explanation of proposed services, and additional information as needed.

n/a

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

n/a

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

n/a



8. Demolition and removal – n/a

- Provide description of estimated fees, rates explanation of proposed services, and additional information as needed.

n/a

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

n/a

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

n/a

9. Construction - \$7,033,166

- Provide description of estimated fees, rates, explanation of proposed services, state whether the work is being completed by the applicant or an outside contractor, and additional information as needed.

The bulk of the project's costs will be in the fiber optic cable construction. All of this cost (\$7,033,166 or 63.1%) is allocated in the Construction category. The total route footage of the new ring is 954,100, or approximately 180 miles. The route distances, route details, and estimated costs have been determined by working with North Sky Communications, a locally-based, experienced, and respected telecommunications specialty contracting firm.

The line items in the "Detail of Project Costs" worksheet show separate costs for materials (\$3,358,432) and labor (\$3,577,875). These line items include all associated costs with installing the fiber optic cable along the route. These include: fiber optic cable, new poles and strand wire (where required), attachment hardware for existing pole lines, building entrances (all in existing buildings), fiber terminations in buildings, fiber optic cable testing, etc. In addition, the route does contain a few areas where underground construction will be required. A separate line item has been established for the cost of underground construction (\$96,859). The initial route analysis has identified a total of 12,846 feet (2.4 miles) of underground construction. This per-foot cost includes all labor and materials associated with trenching, boring, installing conduit and pull boxes, etc. These areas have been identified by an initial field survey and are specified on the Network Map document.

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

The County will provide all of its matching cash contribution as an offset for the cost of the outside plant construction. This amount (\$519,069) represents 7.4% of the total cost of the construction. The county has these funds available from internal sources; no financing or debt will be required to raise this



amount. A letter from the County committing to this cash match has been included as part of the application.

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

None of the county’s matching contribution for this particular category is in-kind; all matching funds for the Construction category come from cash contributions.

10. Equipment - \$2,410,000

- Provide a list of equipment in the form of a table with description, number of units, unit cost, state whether it is being purchased or leased, and additional information as needed.

The equipment category represents the second-largest category in terms of project expense. The category includes \$2,410,000, which represents 20.8% of the total project amount.

This category includes all of the Ethernet switching equipment which will be connected to the new fiber network. These Ethernet switches will be located at the anchor institutions and will be used for the broadband connections to the end users in the anchor institutions. A total of 160 switches will be located in these locations. Each switch will be equipped with optical transceivers which connect to the fiber backbone, for a total of 320 optical transceivers.

In addition to the Ethernet switching equipment, the Equipment category also includes a fiber splicing machine and fiber optic test equipment. These items will be necessary for maintenance and administration of the initial network as well as the long term operation of the network. These items total out to \$90,000. A table of all items in the Equipment category follows. Each entry can be matched to a line item in the “Detail of Project Costs” worksheet.

Description	Unit Cost	Units	Cost	Notes
Ethernet switches	\$8500	160	\$1,360,000	Purchased by anchor institutions
Optical transceivers	\$3000	320	\$960,000	Purchased by anchor institutions
Fiber optic test equipment	\$60,000	1	\$60,000	Purchased by Tech. Services Dept.
Fusion splicing machine	\$30,000	1	\$30,000	Purchased by Tech. Services Dept.



Totals			\$2,410,000	
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- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

No cash matching contributions are included in this category.

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

All of the Ethernet switches at the anchor institutions will be purchased by different county government departments. This will include schools, public safety, county government offices, etc. As such these items are shown as in-kind matching contributions in the total amount of \$2,320,000.

11. Miscellaneous – n/a

- Provide additional information as needed.

n/a

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

n/a

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

n/a

13. Contingencies - \$0



- Contingencies are an unallowable expenditures under BTOP.

15. Project (program) income - \$0

- The value for this line-item on the SF-424C is \$0. Please do not provide an estimated Project (program income) on the SF-424C.

Addendum

- Very few indirect costs are allowable through BTOP. If any allowable indirect costs and/or fringe benefits are included in the budget, please provide a copy of your existing Negotiated Indirect Cost Recovery Agreement (NICRA), if available. If the NICRA is applied accordingly in the budget, there is no need to justify the costs. If a NICRA is not available or is not consistent with the rates/calculations in the budget, please provide an explanation of how the amounts were calculated. Please clearly list the manner in which indirect costs are calculated in the budget.

Note: Verify that indirects are calculated correctly and are eligible BTOP costs. To clarify, reasonable indirect costs under BTOP are only allowable for Full Time



Employees (FTEs) associated with the construction, deployment, or installation of facilities or equipment used to provide broadband service.

n/a

BTOP Comprehensive Community Infrastructure Project Plan and Build-out Timeline

Please complete the Project Plan and Build-out Timeline templates below. Note that these templates may be modified by applicants in order to provide the most effective presentation of the data for their specific project. Applicants should ensure, however, that they provide at least as much detail as the provided templates require.

For system stability reasons, it is recommended that you provide this upload in PDF format. This instruction page need not be included in the upload.

PROJECT PLAN

- Use the following table to list the major network build-out phases and milestones that can demonstrate that your entire project will be substantially complete by the end of Year 2 and fully complete by the end of Year 3. This is to be done at the aggregate level (combining all proposed funded service areas.)
- Indicated how the milestones listed below will demonstrate these completion objectives. The applicant should consider such project areas as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational. The applicant may provide any other milestones that it believes showcase progress.
- Project inception (Year 0) starts at the date when the applicant receives notice that the project has been approved for funding.
- In the table, provide any information (e.g., facts, analysis) to: a) demonstrate the reasonableness of these milestones; b) substantiate the ability to reach the milestones by the quarters indicated.

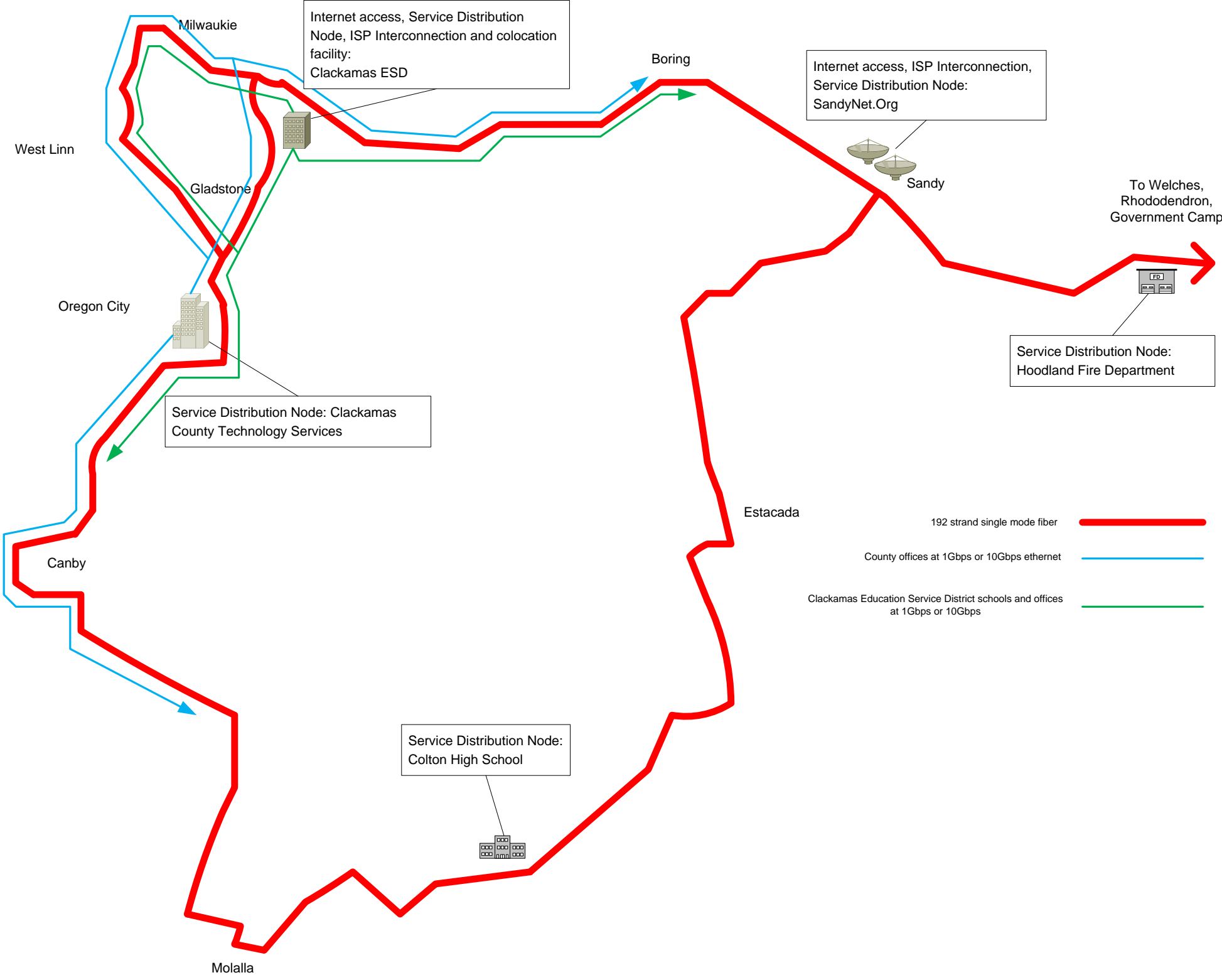
Time Period	Quarter	Milestones	Support for Reasonableness/Data Points
Year 0	-	Notice to Proceed Begin Engineering and Const Dwg Prep Prepare RFP and advertise	Assume 10/15/10 11/15/10 – 12/9/11 11/15/10 – 12/2/10
Year 1	Qtr. 1	Review RFP Response; Select contractor Begin Permit Applications Order Materials Reel Testing Begin Sandy to Hwy 35 section	12/27/10 – 1/4/11 1/3/11 – 2/24/12 1/3/11 – 2/24/12 2/14/11 – 4/8/11 2/18/11 – 8/18/11
	Qtr. 2	Oregon City to Clackamas ESD section Sandy to Hwy 35 section - continued Begin Building Entrances Begin Splicing	4/11/11 – 7/1/11 2/18/11 – 8/18/11 1/5/11 – 10/2/12 1/19/11 – 10/3/12
	Qtr. 3	Clackamas ESD to Sandy section Sandy to Hwy 35 section - complete 224 Ring section	7/5/11 – 9/26/11 2/18/11 – 8/18/11 8/22/11 – 11/18/11
	Qtr. 4	Sandy to Estacada section	10/3/11 – 11/25/11

Year 2	Qtr. 1	Estacada to Molalla section	11/30/11 – 3/20/12
	Qtr. 2	Molalla to Canby section	3/23/12 – 6/14/12
	Qtr. 3	Canby to Oregon City section Complete Building Entrances	<ul style="list-style-type: none"> • 6/18/12 – 8/10/12 • 1/5/11 – 10/2/12
	Qtr. 4	Complete Splicing Final Testing and Acceptance	<ul style="list-style-type: none"> • 1/19/01 – 10/3/12 • 7/13/12 – 10/15/12
Year 3	Qtr. 1		•
	Qtr. 2		•
	Qtr. 3		•
	Qtr. 4		•

BUILD-OUT TIMELINE

Complete the following schedule for *each* Last Mile or Middle Mile Service Area to note the degree of build-out, based on: a) infrastructure funds awarded; b) entities passed (households, businesses, and community anchor institutions.). In addition, please complete a schedule that aggregates the build-out timeline across all of the Proposed Funded Service Area.

Service Area	Clackamas County Middle Mile												
	YEAR 0	YEAR 1				YEAR 2				YEAR 3			
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Infrastructure Funds													
Infrastructure Funds Advanced (estimate)		\$975,523	\$975,523	\$975,523	\$975,523	\$975,523	\$975,523	\$975,523	\$975,523	0	0	0	0
Percentage of Total Funds		12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%				
Entities Passed & %													
Households		0	0	20545	19567	15653	14675	13697	13697	0	0	0	0
Percentage of Total Households				21%	20%	16%	15%	14%	14%				
Businesses		0	0	767	730	584	548	511	511	0	0	0	0
Percentage of Total Businesses				21%	20%	16%	15%	14%	14%				
Community Anchor Institutions		0	22	28	24	17	17	25	26	0	0	0	0
Percentage of Total Institutions			14%	18%	15%	11%	11%	16%	16%				



Internet access, Service Distribution Node, ISP Interconnection and colocation facility:
Clackamas ESD

Internet access, ISP Interconnection, Service Distribution Node:
SandyNet.Org

Service Distribution Node: Clackamas County Technology Services

Service Distribution Node: Hoodland Fire Department

Service Distribution Node: Colton High School

- 192 strand single mode fiber
- County offices at 1Gbps or 10Gbps ethernet
- Clackamas Education Service District schools and offices at 1Gbps or 10Gbps

West Linn

Milwaukie

Gladstone

Oregon City

Canby

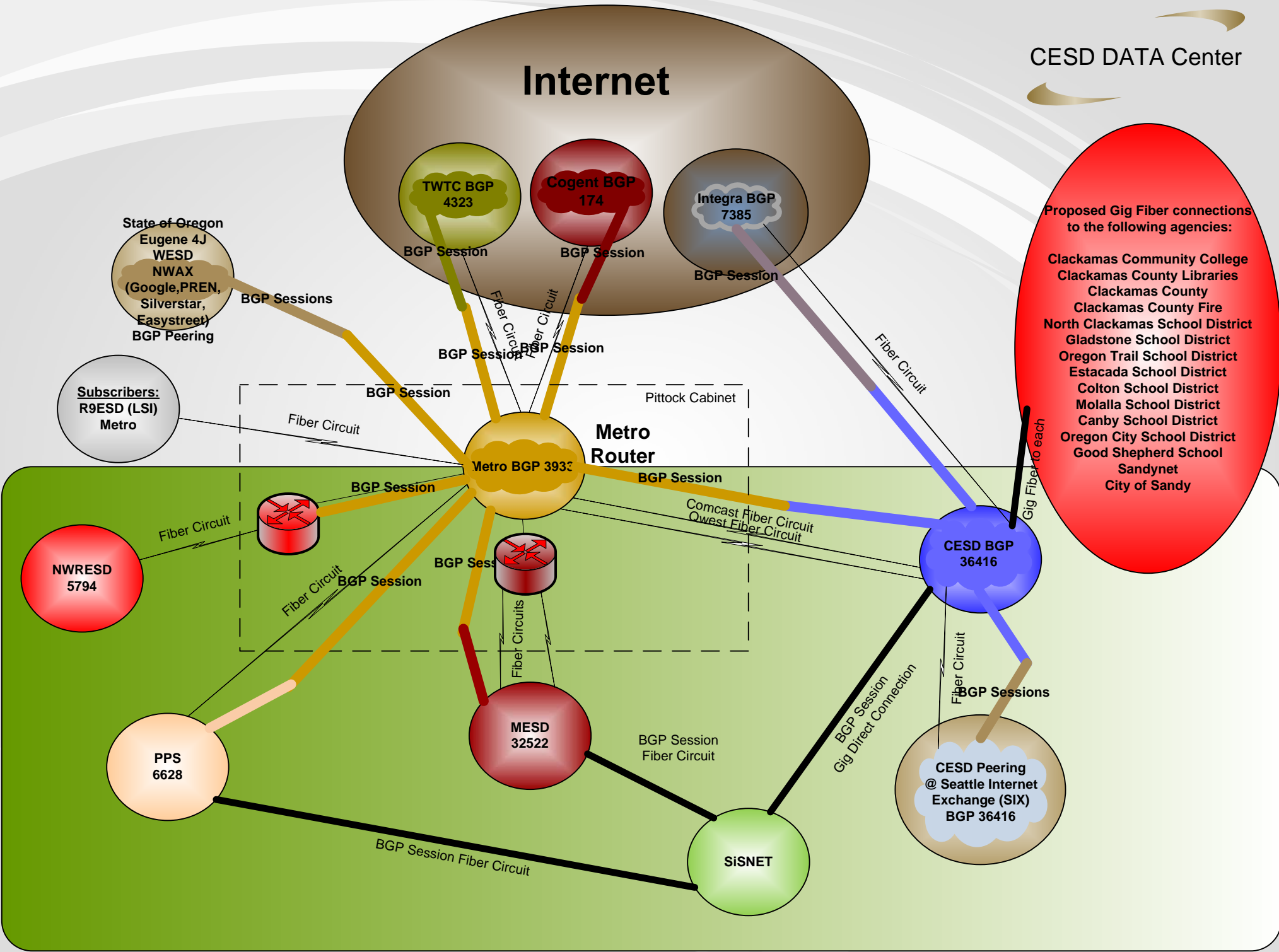
Molalla

Estacada

Boring

Sandy

To Welches, Rhododendron, Government Camp



- Proposed Gig Fiber connections to the following agencies:
- Clackamas Community College
 - Clackamas County Libraries
 - Clackamas County
 - Clackamas County Fire
 - North Clackamas School District
 - Gladstone School District
 - Oregon Trail School District
 - Estacada School District
 - Colton School District
 - Molalla School District
 - Canby School District
 - Oregon City School District
 - Good Shepherd School
 - Sandynet
 - City of Sandy

BTOP Comprehensive Community Infrastructure Service Offerings and Competitor Data Template

Please complete the complete the following worksheets--either of the Last Mile or Middle Mile Service Offerings worksheets may be omitted if the applicant is not proposing to provide that type.

For both the Last Mile and Middle Mile Service Offerings worksheets, the service offerings should include all relevant tiers and markets (*e.g.* residential, business, wholesale). Applicants should ensure to include details on any services that would be offered at discounted rates to specific classes of customers (*e.g.* community anchor institutions or third party service providers).

In the Last Mile Service Offerings worksheet, applicants are required to provide estimated end user speeds. Average speeds should be the average sustained actual, non-burst end user speed that would be received during a peak hour. For purposes of calculating these speeds, applicants should utilize their subscriber projections for year eight of the project, and develop utilization projections that are consistent with any additional services the applicant proposes. For wireless broadband services, this speed should be an average of the speeds available across the entire cell. Beyond these general guidelines, due to the multiplicity of technical solutions that may be proposed, the applicants may use discretion to determine the most reasonable method to estimate actual speeds on their network. Applicants should explain the underlying methodology used to calculate the average speeds in the space provided.

In the Competitor Data worksheet, applicants are required to provide data on both last mile and middle mile service providers, regardless of whether the applicant proposes to offer last mile and middle mile services. In the column titled Service Areas Where Service Offered, applicants should list all of the Last Mile and Middle Mile Service Areas within their Proposed Project Area in which the listed services are available. Please ensure that the Service Areas are consistent with those provided within the application and the Service Areas upload. If the availability of the listed services is limited (*e.g.* the service is only available within a portion of a Last Mile or Middle Mile Service Area), note this in the Other Comments column.

In contrast to several other upload templates in this application, the data provided in these worksheets will NOT be subject to automated processing. These template worksheets are provided to demonstrate the level of data required and to provide a suggested format. Applicants may modify the template layouts in order to provide the most effective presentation of their specific project. Applicants should, however, ensure that they provide at least as much data as these templates require. To the extent that you modify these templates please ensure that the print layouts are adjusted so that rows do not break across pages in a manner that is difficult to understand. A PDF of this file will be automatically generated upon upload to Easy Print and the print settings will be used to format the PDF file.

Middle Mile
provide services of

offerings should
licants should be
particular
riders).

estimated average
estimated speeds that an
licants, applicants
plans to offer.
available across an
alternatives that may
manner in which
making assumptions

last mile and
for both last mile
licants, applicants
Funded Service
names are
. If the actual
part of the Last

via this template
provided to
licants are free to
the data for
as much detail
ensure that the
will be difficult to
grants, and the

Proposed Last Mile Service Offerings

Name of Service Tier	Advertised Speeds		Estimated Average Speeds		Average Latency	Pricing Plan (\$ per month)	Other Comments/Description/Features or Limitations
	Downstream Mbps	Upstream Mbps	Downstream Mbps	Upstream Mbps	@ End User CPE milliseconds		
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Explanation of Average Speed Calculations:

Not Applicable

Proposed Middle Mile Service Offerings

Name of Service Offering	Distance Band or Point to Point	Minimum Peak Load Network Bandwidth Capacity (Mbps)	Monthly/Yearly Pricing (\$)	Other Comments/Description/Features or Limitations
Pair of Fiber - Public Entities	Various lengths dependent on facility location (Point to Point)	1 Gbps	\$250 / month	Facilities own network access equipment
Clackamas ESD (continue using existing ISP)	Various lengths dependent on facility location (Point to Point)	1 Gbps	\$250 / month	Facilities own network access equipment
Clackamas County	Various lengths dependent on facility location (Point to Point)	1 Gbps	\$250 / month	Facilities own network access equipment
Pair of Fiber - Private Last Mile Providers	Various lengths dependent on facility location (Point to Point)	1 Gbps	\$1000 / month	Providers own network access equipment

Colton Telephone	Colton area	T-1	Entry Level Plan	Point-to-Point	1.54 Mbps	\$1,000	Colton telephone service are only
Reliance Connects	Estacada		Highest Speed Plan	Point-to-Point			Reliance provides business class service; calls for pricing have not yet been returned

BUDGET INFORMATION - Construction Programs

OMB Approval No. 4040-0008
Expiration Date 07/30/2010

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ 522,580.00	\$	\$ 522,580.00
2. Land, structures, rights-of-way, appraisals, etc.	\$	\$	\$ 0.00
3. Relocation expenses and payments	\$	\$	\$ 0.00
4. Architectural and engineering fees	\$ 1,183,084.00	\$	\$ 1,183,084.00
5. Other architectural and engineering fees	\$	\$	\$ 0.00
6. Project inspection fees	\$	\$	\$ 0.00
7. Site work	\$	\$	\$ 0.00
8. Demolition and removal	\$	\$	\$ 0.00
9. Construction	\$ 7,033,166.00	\$	\$ 7,033,166.00
10. Equipment	\$ 2,410,000.00	\$	\$ 2,410,000.00
11. Miscellaneous	\$	\$	\$ 0.00
12. SUBTOTAL (sum of lines 1- 11)	\$ 11,148,830.00	\$ 0.00	\$ 11,148,830.00
13. Contingencies	\$	\$	\$ 0.00
14. SUBTOTAL	\$ 11,148,830.00	\$ 0.00	\$ 11,148,830.00
15. Project (program) income	\$	\$	\$ 0.00
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ 11,148,830.00	\$ 0.00	\$ 11,148,830.00
FEDERAL FUNDING			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share.	Enter eligible costs from line 16c Multiply X	70.00 %	\$ 7,804,181.00

INSTRUCTIONS FOR THE SF-424C

Public reporting burden for this collection of information is estimated to average 180 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0041), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET.
SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

This sheet is to be used for the following types of applications: (1) "New" (means a new [previously unfunded] assistance award); (2) "Continuation" (means funding in a succeeding budget period which stemmed from a prior agreement to fund); and (3) "Revised" (means any changes in the Federal Government's financial obligations or contingent liability from an existing obligation). If there is no change in the award amount, there is no need to complete this form. Certain Federal agencies may require only an explanatory letter to effect minor (no cost) changes. If you have questions, please contact the Federal agency.

Column a. - If this is an application for a "New" project, enter the total estimated cost of each of the items listed on lines 1 through 16 (as applicable) under "COST CLASSIFICATION."

If this application entails a change to an existing award, enter the eligible amounts *approved under the previous award* for the items under "COST CLASSIFICATION."

Column b. - If this is an application for a "New" project, enter that portion of the cost of each item in Column a. which is *not* allowable for Federal assistance. Contact the Federal agency for assistance in determining the allowability of specific costs.

If this application entails a change to an existing award, enter the adjustment [+ or (-)] to the previously approved costs (from column a.) reflected in this application.

Column. - This is the net of lines 1 through 16 in columns "a." and "b."

Line 1 - Enter estimated amounts needed to cover administrative expenses. Do not include costs which are related to the normal functions of government. Allowable legal costs are generally only those associated with the purchases of land which is allowable for Federal participation and certain services in support of construction of the project.

Line 2 - Enter estimated site and right(s)-of-way acquisition costs (this includes purchase, lease, and/or easements).

Line 3 - Enter estimated costs related to relocation advisory assistance, replacement housing, relocation payments to displaced persons and businesses, etc.

Line 4 - Enter estimated basic engineering fees related to construction (this includes start-up services and preparation of project performance work plan).

Line 5 - Enter estimated engineering costs, such as surveys, tests, soil borings, etc.

Line 6 - Enter estimated engineering inspection costs.

Line 7 - Enter estimated costs of site preparation and restoration which are not included in the basic construction contract.

Line 9 - Enter estimated cost of the construction contract.

Line 10 - Enter estimated cost of office, shop, laboratory, safety equipment, etc. to be used at the facility, if such costs are not included in the construction contract.

Line 11 - Enter estimated miscellaneous costs.

Line 12 - Total of items 1 through 11.

Line 13 - Enter estimated contingency costs. (Consult the Federal agency for the percentage of the estimated construction cost to use.)

Line 14 - Enter the total of lines 12 and 13.

Line 15 - Enter estimated program income to be earned during the grant period, e.g., salvaged materials, etc.

Line 16 - Subtract line 15 from line 14.

Line 17 - This block is for the computation of the Federal share. Multiply the total allowable project costs from line 16, column "c." by the Federal percentage share (this may be up to 100 percent; consult Federal agency for Federal percentage share) and enter the product on line 17.

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Approval No. 4040-0009
Expiration Date 07/30/2010

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-1 33, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

*SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL <i>Phyllis West</i>	*TITLE <i>FINANCE MANAGER</i>
*APPLICANT ORGANIZATION <i>CLACKAMAS COUNTY</i>	*DATE SUBMITTED <i>3-24-10</i>

BTOP Comprehensive Community Infrastructure Detailed Budget

Please complete the General Budget Overview and Detailed Project Costs worksheets.

Please refer to the Comprehensive Community Infrastructure Grant Guidance for detailed instructions on the completing this upload.

Applicants are required to provide this upload as an Excel file, and not to convert it to a PDF prior to upload. Applicants should not alter the layout of the provided templates, except to insert additional line-items as needed in the Detailed Project Costs worksheet.

Important Update - 3/19/2010: This template has been updated with the addition of a new column in the Detailed Project Costs worksheet. The new column, titled "Cash Match Percentage" allows Applicants to specify the percentage of the line item cost the will be provided by the cash match. This column is only relevant if "Cash Match" is selected in column C (the "Match" column). If "Cash Match" is selected in column C, Applicants should specify a percentage in the Cash Match Percentage field--100% means that the line item will be paid for entirely from the cash match, 0% means that it is paid for entirely from the federal request, any other amount will allocate the costs between the federal request and the cash match.

Note that *it is not required for Applicants to use this updated template*. Applicants that submit their detailed budget using the previously available template will not be penalized. In the previous version of this template, selecting "Cash Match" in column C indicates that 100% of the line item cost will be paid from the cash match.

General Budget Overview

Budget	Federal Funding Request	Matching Funds (Cash)	Matching Funds (In-Kind)	Budget TOTAL	Last Mile Allocation	Middle Mile Allocation	Allocated TOTAL
Network & Access Equipment (switching, routing, transport, access)	\$0		\$2,320,000	\$2,320,000	\$0.00	\$2,320,000.00	\$2,320,000
Outside Plant (cables, conduits, ducts, poles, towers, repeaters, etc.)	\$6,514,097	\$519,069		\$7,033,166	\$0.00	\$7,033,166.00	\$7,033,166
Buildings and Land – (new construction, improvements, renovations, lease)				\$0			\$0
Customer Premise Equipment (modems, set-top boxes, inside wiring, etc.)				\$0			\$0
Billing and Operational Support Systems (IT systems, software, etc.)	\$10,000	\$0		\$10,000	\$0.00	\$10,000.00	\$10,000
Operating Equipment (vehicles, office equipment, other)				\$0			\$0
Engineering/Professional Services (engineering design, project management, consulting, etc.)	\$1,183,084		\$505,580	\$1,688,664	\$0.00	\$1,688,663.50	\$1,688,664
Testing (network elements, IT system elements, user devices, test generators, lab furnishings, servers/computers, etc.)	\$97,000			\$97,000	\$0.00	\$97,000.00	\$97,000
Site Preparation				\$0			\$0
Other				\$0			\$0
TOTAL BROADBAND SYSTEM:	\$7,804,181	\$519,069	\$2,825,580	\$11,148,830	\$0	\$11,148,830	\$11,148,830
Cost Share Percentage:	70.00%	4.66%	25.34%				

DETAIL OF PROJECT COSTS

PLEASE COMPLETE THE TABLE BELOW FOR THE DIFFERENT CATEGORIES OF EQUIPMENT THAT WILL BE REQUIRED FOR COMPLETING THE PROJECT. EACH CATEGORY SHOULD BE BROKEN DOWN TO THE APPROPRIATE LEVEL FOR IDENTIFYING UNIT COST

		Match (Cash/In-kind)	Cash Match Percentage	Unit Cost	No. of Units	Total Cost	Last Mile Allocation	Middle Mile Allocation	Allocated Total	SF-424C Budget Category	Support of Reasonableness
NETWORK & ACCESS EQUIPMENT						\$2,320,000	\$0	\$2,320,000	\$2,320,000		
Switching	Ethernet Switch	In-kind Match		\$8,500.00	160	\$1,360,000		\$1,360,000.00	\$1,360,000	10. Equipment	Vendor quote
	SFP transceiver modules	In-kind Match		\$3,000.00	320	\$960,000		\$960,000.00	\$960,000	10. Equipment	Vendor quote
						\$0			\$0		
Routing						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Transport						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Access						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Other						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
OUTSIDE PLANT						\$7,033,166	\$0	\$7,033,166	\$7,033,166		
Cables	Fiber Cable - materials	Cash Match	15.4557%	3.52	954100	\$3,358,432		\$3,358,432	\$3,358,432	9. Construction	Contractor estimate and quote
	Fiber Optic Cable - labor	No Match		3.75	954100	\$3,577,875		\$3,577,875	\$3,577,875	9. Construction	Contractor estimate and quote
						\$0			\$0		
Conduits						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Ducts	Underground Duct Construction			\$7.54	12846	\$96,859		\$96,859	\$96,859	9. Construction	Contractor estimate and quote
						\$0			\$0		
						\$0			\$0		
Poles						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Towers						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Repeaters						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Other						\$0			\$0		
						\$0			\$0		
						\$0			\$0		

		Match (Cash/In-kind)	Cash Match Percentage	Unit Cost	No. of Units	Total Cost	Last Mile Allocation	Middle Mile Allocation	Allocated Total	SF-424C Budget Category	Support of Reasonableness
BUILDINGS						\$0	\$0	\$0	\$0		
New Construction						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Pre-Fab Huts						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Improvements &						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Other						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
CUSTOMER PREMISE EQUIPMENT						\$0	\$0	\$0	\$0		
Modems						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Set Top Boxes						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Inside Writing						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Other						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
BILLING SUPPORT AND OPERATIONS SUPPORT SYSTEMS						\$10,000	\$0	\$10,000	\$10,000		
Billing Support						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Customer Care						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Other Support						\$0			\$0		
	Open NMS Software	No Match		10000	1	\$10,000		\$10,000	\$10,000	1. Admin and Legal	Vendor quote
						\$0			\$0		

		Match (Cash/In-kind)	Cash Match Percentage	Unit Cost	No. of Units	Total Cost	Last Mile Allocation	Middle Mile Allocation	Allocated Total	SF-424C Budget Category	Support of Reasonableness
OPERATING EQUIPMENT						\$0	\$0	\$0	\$0		
Vehicles						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Office Equipment /						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Other						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
PROFESSIONAL SERVICES						\$1,688,664	\$0	\$1,688,664	\$1,688,664		
Engineering	Outside Plant Engineering			1.24	954100	\$1,183,084		\$1,183,084	\$1,183,084	4. Architectural and engr.	Consulting Engineer estimate
						\$0			\$0		
						\$0			\$0		
Project						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Consulting						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Other	Project Manager	In-kind Match		99706	3	\$299,118		\$299,118	\$299,118	1. Admin and Legal	1 FTE per year for 3 years
	Network Engineer	In-kind Match		35897	3	\$107,690		\$107,690	\$107,690	1. Admin and Legal	25% FTE per year for 3 years
	Management Oversight	In-kind Match		32924	3	\$98,772		\$98,772	\$98,772	1. Admin and Legal	20% FTE per year for 3 years
TESTING						\$97,000	\$0	\$97,000	\$97,000		
Network						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
IT System						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
User Devices						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Test Generators	Fiber test Equipment	No Match		60000	1	\$60,000		\$60,000	\$60,000	10. Equipment	Vendor quote
	Fusion Splicing Machine	No Match		30000	1	\$30,000		\$30,000	\$30,000	10. Equipment	Vendor quote
						\$0			\$0		
Lab						\$0			\$0		
						\$0			\$0		
						\$0			\$0		
Servers/Computer	Log Server	No Match		7000	1	\$7,000		\$7,000	\$7,000	1. Admin and Legal	Vendor quote
						\$0			\$0		
						\$0			\$0		

	Match (Cash/In-kind)	Cash Match Percentage	Unit Cost	No. of Units	Total Cost	Last Mile Allocation	Middle Mile Allocation	Allocated Total	SF-424C Budget Category	Support of Reasonableness
OTHER UPFRONT COSTS					\$0	\$0	\$0	\$0		
Site					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
Other					\$0			\$0		
					\$0			\$0		
					\$0			\$0		
PROJECT TOTAL:					\$11,148,830	\$0	\$11,148,830	\$11,148,830		

SF-424C Cross-check Totals	
1. Admin and Legal	\$522,580
2. Land, structures	\$0
3. Relocation expenses	\$0
4. Architectural and engr.	\$1,183,084
5. Other archit. and engr.	\$0
6. Inspection fees	\$0
7. Site work	\$0
8. Demolition/removal	\$0
9. Construction	\$7,033,166
10. Equipment	\$2,410,000
11. Misc.	\$0

Matching Contribution Cross-check Totals	
Federal Funding Request	\$7,804,181
Cash Match Contribution	\$519,069
In-kind Match Contribution	\$2,825,580

Approach to allocating Last Mile and Middle Mile costs:

This is entirely a Middle Mile project, so all of the costs whave been allocated to Middle Mile.

BTOP Comprehensive Community Infrastructure Service Area Template

Please complete the complete the CCI Service Area worksheet. In each line you will provide name of a service area and one of the contiguous Census tracts or block groups that make u service area. Please provide full 11-digit Census tract numbers, includes the 2-digit State FIF the 3-digit county code, followed by a unique 6-digit tract number. For Census block group: please provide the full tract number, plus the 1-digit block group number (12 digits total). If more than one Census tract or block group in a service area, there will be multiple lines in th for that service area. It is critical that the service area names provided in this table match w service area names provided in the Service Area Details page of the application. Please revie document and Service Area Details page for consistency before submitting your application.

Important Note: Excel truncates leading zeros from numbers. Consequently, the tract/block column on the worksheet has been formatted as text. This formatting should not be altered validity of your data may be compromised.

The data provided via this template will be subject to automated processing. Applicants are therefore required to provide this upload as an Excel file, and not to convert it to a PDF prior upload. Additionally, applicants should not modify the format of this file (e.g. by adding or removing worksheets). Do not leave blank lines in the table between service areas.

EXAMPLE

Service Area Name	Tract or Block Group #
Big BB Project South	01001020100
Big BB Project South	01001020100
Big BB Project South	010010202001
Big BB Project West	01001020400
Big BB Project North	01001020800
Big BB Project North	010010209002

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BTOP CCI Service Area Template

Title: **Clackamas Broadband Innovation Initiative**
Easy Grants ID: **5884**

Service Area Name	Tract or Block Group #
Clackamas County Oregon	41005020800
Clackamas County Oregon	41005020900
Clackamas County Oregon	41005021000
Clackamas County Oregon	41005021100
Clackamas County Oregon	41005021200
Clackamas County Oregon	41005021300
Clackamas County Oregon	41005021400
Clackamas County Oregon	41005021500
Clackamas County Oregon	41005021601
Clackamas County Oregon	41005021602
Clackamas County Oregon	41005021700
Clackamas County Oregon	41005021801
Clackamas County Oregon	41005021802
Clackamas County Oregon	41005021900
Clackamas County Oregon	41005022000
Clackamas County Oregon	41005022101
Clackamas County Oregon	41005022103
Clackamas County Oregon	41005022104
Clackamas County Oregon	41005022201
Clackamas County Oregon	41005022203
Clackamas County Oregon	41005022204
Clackamas County Oregon	41005022300
Clackamas County Oregon	41005022400
Clackamas County Oregon	41005022500
Clackamas County Oregon	41005022601
Clackamas County Oregon	41005022602
Clackamas County Oregon	41005022800
Clackamas County Oregon	41005022901
Clackamas County Oregon	41005022902
Clackamas County Oregon	41005022903
Clackamas County Oregon	41005023000
Clackamas County Oregon	41005023100
Clackamas County Oregon	41005023201
Clackamas County Oregon	41005023202
Clackamas County Oregon	41005023300
Clackamas County Oregon	41005023401
Clackamas County Oregon	41005023402
Clackamas County Oregon	41005023500
Clackamas County Oregon	41005023600
Clackamas County Oregon	41005023700
Clackamas County Oregon	41005023800
Clackamas County Oregon	41005023900
Clackamas County Oregon	41005024000
Clackamas County Oregon	41005024100
Clackamas County Oregon	41005024200
Clackamas County Oregon	41005024301
Clackamas County Oregon	41005024302

**U.S. Department of Commerce
Broadband Technology Opportunities Program
Authentication and Certifications**

1. I certify that I am the duly Authorized Organization Representative (AOR) of the applicant organization, and that I have been authorized to submit the attached application on its behalf.
2. I certify that I have examined this application, that all of the information and responses in this application, including certifications, and forms submitted, all of which are part of this grant application, are material representations of fact and true and correct to the best of my knowledge, that the entity(ies) that is requesting grant funding pursuant to this application and any subgrantees and subcontractors will comply with the terms, conditions, purposes, and federal requirements of the grant program; that no kickbacks were paid to anyone; and that a false, fictitious, or fraudulent statements or claims on this application are grounds for denial or termination of a grant award, and/or possible punishment by a fine or imprisonment as provided in 18 U.S.C. §1001 and civil violations of the False Claims Act.
3. I certify that the entity(ies) I represent have and will comply with all applicable federal, state, and local laws, rules, regulations, ordinances, codes, orders and programmatic rules and requirements relating to the project. I acknowledge that failure to do so may result in rejection or deobligation of the grant or loan award. I acknowledge that failure to comply with all federal and program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities.
4. I certify that the entity(ies) I represent has and will comply with all applicable administrative and federal statutory, regulatory, and policy requirements set forth in the Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements ("DOC Pre-Award Notification"), published in the Federal Register on February 11, 2008 (73 FR 7696), as amended; DOC Financial Assistance Standard Terms and Conditions (Mar. 8, 2009); the Department of Commerce American Recovery and Reinvestment Act Award Terms (Apr. 9, 2009); and any Special Award Terms and Conditions that are included by the Grants Officer in the award.
5. I certify that any funds awarded to the entity(ies) I represent as a result of this application will not result in any unjust enrichment of such entity(ies) or duplicate any funds such entity(ies) receive under federal universal service support programs administered by the Universal Service Administrative Corporation (USAC).
6. I certify that the entity(ies) I represent has secured access to pay the 20% of total project cost or has petitioned the Assistant Secretary of NTIA for a waiver of the matching requirement.

3-23-10
Date

Phyllis West
Authorized Organization Representative Signature

PHYLLIS WEST
Print Name

FINANCE MANAGER
Title



PHYLLIS R. WEST
FINANCE MANAGER

DEPARTMENT OF FINANCE
PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045
P. 503.742.5410 F. 503.742.5401

phyllisw@co.clackamas.or.us

FACILITIES ATTACHMENT AGREEMENT
(Government Entity version)

This is an agreement between Portland General Electric Company (PGE), having a principal business address at 121 SW Salmon Street, Portland, OR 97204, and Clackamas County Informational Services (Licensee), having a business address at 121 Library Court, Oregon City, OR 97045. The effective date of this Agreement is July 1, 2002.

The terms and conditions of this Agreement apply to all attachments by Licensee to PGE overhead facilities, including, but not limited to, distribution and transmission poles and towers (Facilities). For purposes of this Agreement, "Attachment" means any cable, including each overlashed cable, apparatus, riser, antenna, strand, power supply or any other encumbrance that is singularly attached to or supported by PGE Facilities.

PGE hereby grants Licensee the non-exclusive right to attach and maintain **government-use traffic signals, emergency services and telecommunications** equipment (the Equipment) on PGE Facilities in Clackamas county, Oregon, under the following terms and conditions:

1. USE

Licensee may use PGE Facilities only for the purpose of the attachment of its Equipment for the operation of a **government-use traffic signals, emergency services and telecommunications** system (Permitted Use). The Equipment shall be placed on PGE Facilities in the position(s) indicated on Exhibit B (PGE Pole Attachment Permit Application) and in accordance with Exhibit A (PGE Pole Attachment Specifications), which are hereby incorporated into and made a part of this Agreement. PGE retains sole discretion to modify Exhibits A and B and such modifications shall apply to Attachments made on or after the date of the modification as PGE standards are updated. Licensee shall comply with Exhibits A and B as modified. The Permitted Use shall be lawful and in compliance with all federal, state and local laws, rules and regulations applicable thereto. Licensee shall, at its sole expense, comply with all laws, orders, ordinances and regulations of federal, state, county and municipal authorities, and any directive of any public officer(s) with respect to its use of the Facilities.

2. PERMITS

Whenever the Licensee desires to attach the Equipment to specific PGE Facilities, it shall make application specifying the location of the Facilities in question and the number and configuration of attached Equipment (Attachments) contemplated for each overhead Facility. At a minimum, applications shall include the information specified in Exhibit B.

PGE may deny any application for the following reasons: (i) insufficient capacity (when all potential accommodations have been reviewed by PGE and communicated to Licensee); (ii) Facilities are necessary for PGE's sole utility business use; (iii) Licensee's proposed Attachment violates the National Electrical Safety Code (NESC) or any other applicable code, law, rule or

regulation, or unduly compromises safety; (iv) Licensee's proposed Attachment threatens the reliability of PGE's system; or (v) Licensee's proposed Attachment does not comply with general applicable engineering standards.

All Attachments are subject to field inspection to determine availability, as stated above and to ensure that the Equipment has been attached in accordance with this Agreement. PGE shall notify the applicant of the denial of any application within forty-five (45) calendar days after receipt of such application. If the application is approved, PGE shall either sign and return one copy to Licensee, or provide notice to applicant via fax, electronic mail or other electronic means. Licensee shall have the right to make Attachments to PGE Facilities in accordance with the terms of the permit and this Agreement. No application shall be deemed approved without Written Notice or Electronic Notice indicating approval from PGE.

3. IDENTIFICATION OF EQUIPMENT

Licensee must clearly mark and identify all Equipment attached to PGE Facilities at each pole, using a method pre-approved by PGE as described in Exhibit A. Failure to properly identify Equipment may constitute an Event of Default of this Agreement, as listed in Section 7 of this Agreement, and result in termination of this Agreement. In the event Licensee acquires another entity's Equipment, or enters this Agreement with existing Equipment on PGE Facilities, Licensee shall properly identify the newly acquired Equipment in a manner consistent with Licensee's approved identification method within twelve (12) months or within a mutually agreeable timeframe. Failure to identify new or existing Equipment within the agreed-upon timeframe may result in sanctions for Unauthorized Attachments, as defined in Section 5 and listed in Exhibit C.

4. FEES

- a. The Licensee shall pay PGE annual rental fees when due in accordance with the current Fee Schedule, provided as Exhibit C (PGE Facilities Attachment Agreement Fee Schedule) and hereby incorporated into and made a part of this Agreement, and as it may be amended from time to time.
- b. PGE will grant the Licensee a waiver from annual rental fees for all Attachments that are for public safety or essential services and are located below the Communications Space on a pole, as defined in Exhibit A. Any Attachments that are located within the Communications Space will be subject to annual rental fees in accordance with the current Fee Schedule.
- c. Payment from Licensee for annual rental fees for each calendar year (January 1 through December 31) and all other PGE invoices is due within thirty (30) days of receipt of annual rental invoice from PGE. Such rental fees for Attachments permitted prior to the beginning of the subject calendar year are hereinafter referred to as "Advance Rental Fees".
- d. Annual rental fees for Attachments put in place during each calendar year from January 1 through December 31 are due when the permits are approved by PGE. There shall

be no abatement or reduction in such fees for Attachments in place for less than the full calendar year, for Attachments permitted but not yet actually made or Attachments that are acquired, assigned, or purchased by Licensee during the year from another entity.

- e. Exhibit C, the PGE Facilities Attachment Agreement Fee Schedule, may be adjusted by PGE, in accordance with applicable state law, from time to time. The effective date of the new Fee Schedule shall be January 1 of the next year. PGE shall provide to Licensee at least six (6) months prior Written Notice before the effective date of the new Fee Schedule. Unless Licensee otherwise notifies PGE within sixty (60) days of such new Fee Schedule notice, Licensee shall be deemed to have accepted the new Fee Schedule. PGE shall have the right to terminate this Agreement within thirty (30) calendar days from the date of written notice from Licensee objecting to the new Fee Schedule. If PGE exercises such right to terminate the Agreement, Licensee must remove the Equipment from PGE Facilities by the end of the calendar year in which the termination occurs. In the event Licensee fails to remove the Equipment from PGE Facilities, PGE may remove the Equipment without additional notice to Licensee. Licensee shall be responsible for all costs incurred by PGE for the removal of Licensee's Equipment.
- f. The Licensee may overlash its Equipment onto existing Equipment, but the Equipment that is overlashed onto existing Equipment must have a separate PGE Pole Attachment Permit, and Licensee must pay a separate annual Attachment rental fee and all costs associated with such an overlashed Attachment. Under no circumstances shall Licensee overlash its Equipment onto existing Equipment that is not owned by Licensee, nor shall Licensee allow third parties to overlash its existing Equipment. PGE shall assume that the strand owner also owns the overlashed Equipment, unless otherwise notified by the Licensee or a third party.
- g. The Licensee may attach guy wires to PGE anchors using the method described in Exhibit A. The Licensee shall pay an Anchor Fee to PGE for attaching to an existing PGE anchor, as listed in Exhibit C.
- h. Charges for field inspections shall be paid by Licensee, and are listed in Exhibit C.
- i. The Unauthorized Attachment Fee is referenced in Section 5 and listed in Exhibit C.
- j. The Hardcopy Notice Fee is referenced in Section 8 and listed in Exhibit C, and shall be paid by Licensee if Licensee prefers that those notices designated as Electronic Notices be provided in writing.

5. LICENSEE'S ATTACHMENTS

- a. Licensee shall install all Equipment at Licensee's expense and in accordance with the NESC and the requirements of the PGE Attachment Specifications, as listed in Exhibit A. All holes bored in PGE's poles by Licensee shall conform to the specifications of PGE. Licensee shall treat all holes in accordance with Exhibit A. Failure to treat holes may result in sanctions for

Unauthorized Attachments, as defined in Section 5 and listed in Exhibit C.

- b. PGE reserves the right, at its sole discretion, to rearrange Licensee's Equipment to better utilize PGE's poles. PGE shall perform such work at no cost to Licensee if the existing Attachment is (i) in compliance with PGE Attachment Specifications, including authorized permit, and (ii) in compliance with NESC regulations. PGE will provide Written Notice to Licensee whenever such work is performed.
- c. If Attachment is made inconsistent with the conditions of the Pole Attachment Permit, this Agreement, or the National Electric Safety Code, such Attachment will be referred to as an "Unauthorized Attachment".

A fee will be assessed by PGE for all Unauthorized Attachments. The Unauthorized Attachment Fee will be in accordance with the sanctions specified in Exhibit C.

Upon discovery of an Unauthorized Attachment, PGE may, at its sole discretion, remedy the situation using either of the following procedures:

1. PGE may immediately rearrange Licensee's Equipment to bring the Attachment into compliance. Such work shall be at Licensee's sole expense, and Licensee agrees to pay the costs of all such work.
 2. PGE may provide Licensee with Written Notice of the Unauthorized Attachment, in which case Licensee shall rearrange the Equipment at Licensee's sole expense within sixty (60) calendar days from the date of PGE's Written Notice. If Licensee fails to rearrange the Equipment within sixty (60) calendar days, PGE may, at its sole discretion, rearrange the Equipment to remedy the Unauthorized Attachment, at Licensee's sole expense. PGE may apply the applicable sanctions as specified in Exhibit C.
- d. Licensee shall have the right to contest any field data (resulting from a PGE inspection) for a period of ninety (90) days from date of receipt. After such period of time, Licensee is deemed to have accepted the accuracy of the field data information, and is responsible for all costs associated with field data.

6. CHANGES IN PGE FACILITIES

- a. **PGE Facilities:** Licensee understands and agrees that PGE Facilities are essentially for PGE's exclusive use. PGE reserves the right at any time, without Licensee's knowledge or consent, to add to its equipment, raise the voltage on its circuits or change their character or to remove, replace, or relocate the Facilities. In the event PGE modifies, removes, replaces or relocates its Facilities and such change requires Licensee to remove or relocate Licensee's Equipment, PGE shall provide Licensee with either Written Notice or Electronic Notice as mutually agreed by both parties. Licensee shall relocate or remove its Equipment, at

Licensee's sole expense, within thirty (30) calendar days from the date of PGE's Written Notice requesting the relocation or removal of Licensee's Equipment. At PGE's discretion, PGE may relocate the Equipment and bill Licensee for the cost of such relocation. If Licensee performs the relocation work, Licensee shall be responsible for any liability or additional costs associated with removing the old Facilities and relocating them.

- b. Make Ready Charges: If additional poles, poles of greater height or strength, additional guying, or rearrangement of PGE's equipment or the equipment of any other party licensed by PGE to use the Facilities are required in order for PGE to provide Licensee with access to the Facilities, the costs for such additional Facilities and make ready work, including, but not limited to, special inspections, preconstruction, engineering, make ready, change out, and rearrangement work, shall be at the sole expense of the Licensee, and Licensee agrees to pay all invoices when due.

7. DEFAULT AND REMEDIES

- a. PGE expects the Licensee to respond to PGE notices, including timely payment of invoices, and to remove abandoned Equipment, identify Equipment, and provide prior Written Notice of any proposed assignment of Equipment or entity. PGE will provide Written Notice in the event Licensee fails to meet the above conditions. Continued failure by the Licensee to meet those conditions shall result in Default by the Licensee. The occurrence of any one or more of the following events constitutes an "Event of Default" by Licensee:
- i. Licensee fails to provide Written Notice to PGE regarding any invoice amount in dispute under this Agreement within ten (10) calendar days after Written Notice of such failure from PGE. Such Written Notice from Licensee regarding invoice dispute shall contain the invoice number, invoice date, amount in dispute and grounds for dispute, accompanied by payment of amount not in dispute.
 - ii. Licensee fails to complete all construction associated with attaching Licensee's Equipment to PGE Facilities within six (6) months from the approval date of the Pole Attachment Permit.
 - iii. Licensee deserts or abandons Equipment attached to PGE Facilities. Equipment shall be considered deserted or abandoned if it fails to transmit a signal during a 12-month time period.
 - iv. Licensee fails to properly identify Equipment attached to PGE Facilities according to the method described in Exhibit A.
 - v. Licensee fails to provide prior Written Notice to PGE of intent to assign this Agreement or the Equipment attached to PGE Facilities.
 - vi. Licensee assigns this Agreement, in violation of the terms and conditions of this

Agreement, without prior written consent from PGE.

- vii. A petition is filed by or against Licensee under the Federal Bankruptcy Code or any similar law or statute of the United States or any state (and with respect to any petition filed against Licensee, such petition is not dismissed within sixty (60) days after the filing thereof) or Licensee is adjudged a bankrupt or insolvent, or receiver, custodian or trustee is appointed for Licensee or for any of the assets of Licensee which appointment is not vacated within thirty (30) days of the date of appointment, or Licensee becomes insolvent, is unable to pay its debts and they become due, or makes a transfer in fraud of creditors.
 - viii. Licensee fails to perform or observe any other term or condition of this Agreement and such failure continues for thirty (30) days after Written Notice from PGE; provided, however that if such failure is capable of being cured, but not within such 30-day period, PGE may extend such period as approved in writing by PGE, so long as Licensee commences appropriate curative action and diligently prosecutes such cure to completion.
- b. Default under any one or more of the above clauses i through viii of Paragraph a. of this Section 7 shall be a Default under this Agreement. So long as an Event of Default applicable to this Agreement continues beyond the specified period or, if no period is specified, beyond thirty (30) days, PGE may terminate this Agreement without notice or demand except as expressly required above, revoke all PGE Pole Attachment Permits issued to Licensee, and pursue any other remedy it may have under applicable law. In the event PGE terminates this Agreement pursuant to Paragraph b. of this Section 7, Licensee shall immediately disconnect Licensee's Equipment from PGE Facilities.
- c. In the event of a billing dispute between PGE and Licensee, Licensee may continue to make Attachments to PGE Facilities as permitted under this Agreement as long as Licensee continues to: i. make all payments not in dispute; and ii. pay into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Licensee fails to meet these two requirements, then PGE may provide Written Notice to Licensee of its intention to disconnect Licensee and terminate this Agreement within thirty (30) days of such notice.
8. **NOTICE**
- a. **Written Notice.** As referenced elsewhere in this Agreement, PGE and Licensee shall provide notice to each other in writing ("Written Notice"). The following notices, requests, demands and other communications hereunder may be in writing, and shall be deemed given if personally delivered, deposited in US Mail with appropriate postage, transmitted by facsimile, or sent via overnight delivery:
- i. Notice of adjustment of the PGE Fee Schedule
 - ii. Notice of code violation: Licensee's Equipment fails to comply with the

- iii. requirements of NESC.
 - iii. Notice of permit violation: Licensee's Equipment fails to comply with the requirements of Exhibit A.
 - iv. Notice of termination of Agreement by either party.
 - v. Notice of failure to respond to an invoice.
 - vi. Notice in lieu of payment of an invoice.
 - vii. Notice of consent of assignment of Agreement to another party.
 - viii. Notice of rearrangement of Licensee's Equipment by PGE.
 - ix. Notice of Licensee failure to perform or observe any other term or condition of this Agreement.
- b. **Electronic Notice.** As referenced in this Agreement, PGE and Licensee may provide notice to each other electronically ("Electronic Notice"). The following notices, requests, demands and other communications hereunder shall be in electronic format, via the Internet or NJUNS (National Joint Use Notification System):
- i. Pole Attachment Permit Applications
 - ii. Notice of denial or approval of Pole Attachment Permit Applications
 - iii. Notice of pole transfers or other work on PGE Facilities
 - iv. Other notifications and communications as approved by PGE

If Licensee prefers that those notices designated as Electronic Notices be provided in writing instead, Licensee shall pay the Hardcopy Notice Fee, listed in Exhibit C, to offset incurred costs.

Written or Electronic Notice shall be made to the following addresses:

If to PGE, to:

PGE Utility Asset Management
2213 SW 153rd Drive
Beaverton, OR 97006
Attention: Contracts Manager

FAX: 503-672-5555
E-MAIL: utility_asset_management@pgn.com

With a copy to:

Portland General Electric Company
One World Trade Center
121 SW Salmon Street
Portland, OR 97204
Attn: General Counsel

If to Licensee, to:

Clackamas County Informational Services
121 Library Court,
Oregon City, OR 97045

Attn: _____

With a copy to:

Attn: _____

9. LICENSEE'S RISK

Licensee's use of PGE Facilities under this Agreement is entirely at Licensee's own risk. PGE does not warrant or represent that law authorizes the Licensee's use of any right-of-way in which such Facilities may be located. Any permits, licenses, or easements required by public or private authority to make Licensee's use of such right-of-way lawful are the full responsibility of the Licensee, and Licensee may be required to provide evidence to PGE of compliance with this requirement. Licensee warrants that it has the necessary authority, including permits, licenses, franchises, or any other applicable regulatory requirement, to operate its business where PGE Facilities are located.

10. COMPLIANCE WITH LAWS

Licensee shall conduct its business and perform its obligations under this Agreement in compliance with all federal, state and local laws, rules and regulations, including, but not limited to, any applicable Workers Compensation law, employment insurance act, or old age insurance act. Licensee shall continuously carry a Workers Compensation insurance policy covering all employees as required and with such additional terms as may be provided by any applicable Oregon statutes and any other applicable state law.

11. LIMITATION OF LICENSEE'S RIGHTS

No use of PGE Facilities under this Agreement or otherwise shall create any right in the Licensee except as herein provided. PGE shall remain the sole owner of its Facilities. PGE shall have the sole right to operate and maintain its Facilities without the consent of Licensee.

12. SAFETY, HEALTH AND ENVIRONMENT

Licensee shall be solely responsible for on-the-job compliance with government regulations pertaining to safety, health, and environment. Licensee shall pay any and all losses or fines resulting from noncompliance, whether or not PGE is named singly or jointly in such actions. Notwithstanding compliance with such regulations, Licensee is solely responsible for assuring a

safe workplace for its employees, agents, and subcontractors against any and all hazards and perils that may exist on PGE's property or around PGE Facilities, whether such hazards or perils are known or unknown by PGE. Licensee shall make an inspection of the work area before commencing work and regularly thereafter, and shall make corrections whenever hazards or perils are found. PGE, at its sole discretion and convenience, reserves the right to immediately suspend Licensee's activities hereunder if unsafe work practices are found, but such right does not negate Licensee's sole responsibility for the safety of its employees, agents and subcontractors in the administration and performance of this Agreement or Licensee's business activities.

13. HOLD HARMLESS AND INDEMNIFICATION

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, Licensee agrees to defend, release, indemnify and hold PGE, its officers, directors, agents and employees and its affiliates, their respective officers, directors, agents and employees (collectively, the "PGE Indemnitees") harmless from and against any and all losses, damages to persons or property, injuries or deaths of persons, liability, claims, liens, demands and causes of action of every kind and character, including environmental liability, and including the amounts of judgments, penalties, interest, court costs and legal fees, at trial and on any appeal, incurred by the PGE Indemnitees in defense of same arising in favor of any person, corporation or other entity, including the parties hereto and their employees, contractors and agents, arising from the negligent or wrongful acts or omissions of Licensee, its directors, agents and employees arising from or in any way connected with this Agreement, except that in no event shall Licensee indemnify, defend or hold harmless PGE from the negligent or wrongful acts or omissions of PGE. The parties hereto agree, and Licensee affirmatively states and warrants to PGE, that its indemnity obligation will be supported by liability insurance as required in Section 14 herein, provided that recovery under or in respect of this indemnity shall not be limited to the proceeds of any such insurance. Licensee may self-insure such obligations with the prior written permission of PGE.

14. LIABILITY INSURANCE.

- a. Licensee will provide commercial general liability insurance in an aggregate amount of \$5,000,000 and \$5,000,000 per occurrence and list PGE as an additional insured on the policy or policies. Licensee may satisfy this requirement by obtaining appropriate endorsements to any master policy of liability insurance maintained by Licensee, or by self-insurance acceptable to PGE.
- b. Prior to starting any work at the Site or attaching any Equipment on PGE Facilities, Licensee shall qualify, and shall cause its contractors and subcontractors of any tier to qualify as an employer under any applicable workers' compensation act, employment insurance act, or old age insurance act and any other applicable state or federal law, including the payment or deduction and remittance of any and all contributions, taxes, fees or charges under such laws and in each case to accept exclusive liability as an employer thereunder. Licensee, its contractors and subcontractors of any tier shall secure and continuously carry workers'

compensation insurance policies covering all employees as required and with such additional terms as may be provided by Oregon statutes and any other applicable state law.

- c. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any other risks enumerated in a standard "All Risk" insurance policy, and in the event of such insured loss, neither party's insurance company shall have a subrogated claim against the other. Each party hereto shall obtain from its insurers under all policies of fire, theft and other casualty insurance maintained by it at any time during the term of this Agreement insuring or covering the Facilities or any portion thereof a waiver of all rights of subrogation which the insurer might have against the other party, and each party shall indemnify the other party against any loss or expense, including reasonable attorneys' fees, resulting from the failure to obtain such waiver.

15. CONSEQUENTIAL DAMAGES

IN NO EVENT SHALL PGE BE LIABLE TO LICENSEE FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT OR OTHERWISE) UNDER OR IN RESPECT OF THIS AGREEMENT, OR FOR ANY FAILURE OF PERFORMANCE RELATED HERETO HOWSOEVER CAUSED, WHETHER OR NOT ARISING FROM INDEMNIFYING PARTY'S SOLE, JOINT OR CONCURRENT NEGLIGENCE.

16. ASSIGNMENT

- a. The Licensee shall not assign this Agreement to any third party without the prior written consent of PGE, such consent not to be unreasonably withheld. Licensee may assign this Facilities Attachment Agreement and its rights hereunder and thereunder to any entity that is a parent of Licensee, provided that such entity shall, in a writing satisfactory to PGE, assume without limitation this Facilities Attachment Agreement. PGE shall provide Written Notice to Licensee within 90 days of receiving Licensee's Written Notice of request for consent of assignment. Licensee may be in default of this Agreement, in the event Licensee fails to provide PGE with Written Notice of request for consent of assignment and an opportunity to evaluate the proposed assignment. If Licensee fails to provide such notice, PGE may void this Agreement without Written Notice to Licensee. Notwithstanding any other provision in this Agreement, PGE acknowledges and agrees that Licensee may subcontract to others all, or any portion of, the installation, repair and maintenance duties to be performed by Licensee under this Agreement, with the further understanding that any such subcontract will not absolve Licensee from any duty or liability it may have under this Agreement.
- b. PGE may assign this Agreement any permits or any of its rights with respect thereto without the approval or consent of Licensee.

17. ATTORNEY'S FEES

The prevailing party in any litigation, at trial and on appeal, arising hereunder shall be entitled to

its reasonable attorney's fees and court costs. With respect to this Section 17 providing for payment of attorney fees, such fees shall include fees attributable to legal services provided by any in-house counsel and staff to the prevailing or indemnified party. For purposes hereof, the services of in-house attorneys and their staff shall be valued at rates for independent counsel prevailing in the metropolitan area in which counsel and staff practice.

18. SUCCESSORS

This Agreement shall inure to the benefit of and be binding on the parties' successors, and insofar as assignable, on the parties' assigns.

19. WAIVER

No waiver by either party of any breach of this Agreement shall be construed as a waiver of any other breach of the same or any other covenant of this Agreement.

20. DISPUTE RESOLUTION

Licensee and PGE agree to negotiate in good faith, for a period of thirty (30) days from the date of notice of any dispute arising under this Agreement, prior to filing any complaint with any governmental authority or court of law.

21. OREGON HOUSE BILL 2271

On August 23, 2000 pursuant to Oregon House Bill 2271, the Oregon Public Utility Commission (Commission) adopted Order No. 00-467, regulating pole Attachments, establishing appropriate sanctions for Unauthorized Attachments and defining compliance with laws regulating pole attachment. In the event Order No 00-467 adopted by the Commission is inconsistent with the terms and conditions of this Agreement, this Agreement shall prevail and supersede the inconsistent provision contained in the Order adopted by the Commission.

22. MISCELLANEOUS

- a. This Agreement shall be construed in accordance with the laws of the State of Oregon. Any dispute arising under this Agreement will be heard exclusively by a federal or state court located in Multnomah County, Oregon.
- b. Any amounts not paid when due under this Agreement shall bear interest at the rate of 18% per annum until paid.
- c. This Agreement and each permit to attach shall constitute the entire agreement and understanding of the parties. There are no representations or understandings of any kind not set forth in this Agreement. Any amendment or modification to this Agreement must be in writing and executed by both parties.
- d. If any term of this Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.

23. FORCE MAJEURE

If a party is delayed or hindered in, or prevented from the performance required under this Agreement by reason of strikes, lockouts, labor trouble, failure of power, riots, insurrection, war, acts of God or other reason of like nature not the fault of the party delayed in performing work or doing acts, such party is excused from such performance for the period of such delay. Notwithstanding the above, this Section 23 shall not apply to the payment of money.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the date specified.

For
Clackamas County Informational Services
(Licensee)

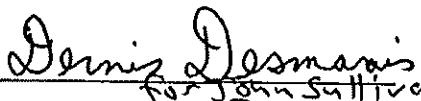
Signed: 

Print name: DAVE CUMMINGS

Title: CIO

Date: 8-2-2002

For
Portland General Electric
(PGE)

Signed:  for John Sullivan

Print name: Dennis Desmarais

Title: Business Manager

Date: July 30, 2002