

COMPETITIVE SALE—The Obligations will be sold pursuant to a competitive sale held at 9:30 a.m. (Pacific Time) on February 1, 2018, as further described in the Notice of Sale attached hereto.

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 26, 2018

\$27,450,000⁽¹⁾

Clackamas County, Oregon
Full Faith and Credit Refunding Obligations, Series 2018

DATED: February 15, 2018 (estimated "Date of Delivery")

DUE: June 1, as shown on the inside cover

PURPOSE— The \$27,450,000⁽¹⁾ Full Faith and Credit Refunding Obligations, Series 2018 (the "Obligations") are being issued by Clackamas County, Oregon (the "County"). The Obligations are being issued to refinance certain outstanding Full Faith and Credit Obligations, Series 2007 that financed capital projects, and to pay the costs of issuance of the Obligations. See "Purpose and Use of Proceeds" herein.

MOODY'S RATING—"Aaa". See "Rating" herein.

NOT BANK QUALIFIED—The County has NOT designated the Financing Agreement (as hereinafter defined) as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

BOOK-ENTRY ONLY SYSTEM— The Obligations will be issued, executed and delivered in fully registered form under a book-entry only system and registered in the name of Cede & Co., as owner and nominee for The Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Obligations. Individual purchases of the Obligations will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Obligations purchased.

PRINCIPAL AND INTEREST PAYMENTS— The Obligations evidence and represent undivided proportionate interests of the Beneficial Owners thereof (as hereinafter defined) in the Financing Payments to be made by the County pursuant to the Financing Agreement (as hereinafter defined). The interest component of the Financing Payments evidenced and represented by the Obligations is payable on June 1, 2018 and semiannually thereafter on December 1 and June 1 of each year to the maturity or earlier prepayment of the Obligations. The principal and interest components of the Financing Payments evidenced and represented by the Obligations will be payable by the County's paying agent, registrar and escrow agent, initially U.S. Bank National Association (the "Escrow Agent"), to DTC which, in turn, will remit such principal and interest components to the DTC participants for subsequent disbursement to the beneficial owners of the Obligations at the address appearing upon the registration books on the 15th day (the "Record Date") of the month preceding a payment date.

MATURITY SCHEDULE— See inside front cover.

PREPAYMENT— The Obligations are not subject to optional prepayment prior to their stated maturities as further described herein.

SECURITY— Pursuant to the terms of a financing agreement (the "Financing Agreement") the County's payment obligations (the "Financing Payments") shall be unconditional, and the County shall pay the Financing Payments from any and all of its legally available funds. Pursuant to ORS 287A.315, the County has pledged its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the Financing Payments and other amounts due under this Financing Agreement. The obligation of the County to make payments is a full faith and credit obligation of the County, and is not subject to appropriation. The Beneficial Owners of the Obligations do not have a lien or security interest on the property financed with the proceeds of the Financing Agreement. The Obligations do not constitute a debt or indebtedness of the State of Oregon, or any political subdivision thereof other than the County.

TAX MATTERS— *In the opinion of Hawkins Delafield & Wood LLP, Special Counsel to the County ("Special Counsel"), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) the portion of the payments made under the Financing Agreement designated and constituting interest received by the holders of the Obligations ("Interest") is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) Interest is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. In the opinion of Special Counsel, Interest is exempt from State of Oregon personal income tax under existing law. See "Tax Matters" herein.*

DELIVERY— The Obligations are offered for sale to the original purchaser subject to the final approving legal opinion of Special Counsel. It is expected that the Obligations will be available for delivery to the Escrow Agent for Fast Automated Securities Transfer on behalf of DTC, on or about the Date of Delivery.

(1) Preliminary, subject to change.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This is a Preliminary Official Statement, subject to correction and change. The County has authorized the distribution of the Preliminary Official Statement to prospective purchasers and others. Upon the sale of the Obligations, the County will complete and deliver a final Official Statement substantially in this form.

Clackamas County, Oregon

Full Faith and Credit Refunding Obligations, Series 2018

DATED: Date of Delivery

DUE: June 1, as shown below

MATURITY SCHEDULE –

Due June 1	Amounts ⁽¹⁾	Interest Rates	Yields	CUSIP® 178890	Due June 1	Amounts ⁽¹⁾	Interest Rates	Yields	CUSIP® 178890
2018	\$ 2,510,000				2023	\$ 2,690,000			
2019	2,375,000				2024	2,815,000			
2020	2,420,000				2025	3,000,000			
2021	2,500,000				2026	3,190,000			
2022	2,600,000				2027	3,350,000			

(1) Preliminary, subject to change.

The CUSIP® numbers herein are provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Capital IQ, a division of S&P Global Inc. CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. CUSIP numbers are subject to change. Neither the County nor the Purchaser take any responsibility for the accuracy of such CUSIP numbers.

No website mentioned in this Official Statement is part of this Official Statement, and readers should not rely upon any information presented on any such website in determining whether to purchase the Obligations. Any references to any website mentioned in this Official Statement are not hyperlinks and do not incorporate such websites by reference.

No dealer, broker, salesman or other person has been authorized by the County or Piper Jaffray & Co. (the “Municipal Advisor”) to give information or to make any representations with respect to the Obligations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Obligations have not been registered under the Securities Act of 1933, as amended, the Financing Agreement and the Escrow Agreement have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Obligations in accordance with applicable provisions of securities laws of the States in which the Obligations have been registered or qualified and the exemption from the registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these States nor any of their agencies have passed upon the merits of the Obligations or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

This Preliminary Official Statement has been “deemed final” by the County, pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for information which is permitted to be excluded from this Official Statement under said rule 15c2-12.

Clackamas County, Oregon
2051 Kaen Road
Oregon City, Oregon 97045
(503) 742-5400

Board of Commissioners

Jim Bernard	Chair
Sonya Fischer	Commissioner
Ken Humberston	Commissioner
Paul Savas	Commissioner
Martha Schrader	Commissioner

Administrative Staff

Don Krupp	County Administrator
Laurel Butman	Deputy County Administrator
Marc Gonzales	Director, Department of Finance
Christa Wolfe	Assistant Director, Department of Finance
Jian Zhang	Budget Coordinator
Chris Storey	Assistant County Counsel

Special Counsel

Hawkins Delafield & Wood LLP
Portland, Oregon
(503) 402-1320

Municipal Advisor

Piper Jaffray & Co.
Portland, Oregon
(503) 275-8300

Escrow Agent

U.S. Bank National Association
Global Corporate Trust Services
Portland, Oregon
(503) 464-3757

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Official Notice of Sale
\$27,450,000⁽¹⁾
Clackamas County, Oregon
Full Faith and Credit Refunding Obligations, Series 2018

NOTICE IS HEREBY GIVEN that bids will be received on behalf of Clackamas County, Oregon (the "County") for the purchase of the above-captioned Full Faith and Credit Refunding Obligations, Series 2018 (the "Obligations") on:

Bid Date: Thursday, February 1, 2018
Bid Time: 9:30 a.m., Prevailing Pacific Time
Electronic Bids: PARITY Bidding System ("Parity")

Security

The Obligations evidence and represent undivided proportionate ownership interests in Financing Payments (the "Financing Payments") that the County will be obligated to make under a Financing Agreement. The obligation of the County to make Financing Payments shall be unconditional, and the County shall pay the Financing Payments from any and all of its legally available funds. Pursuant to ORS 287A.315, the County hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the Financing Payments and other amounts due under this Financing Agreement. The Financing Agreement is not secured by a lien on any revenues or other property of the County. See "Security for the Obligations" in the Preliminary Official Statement.

THE FINANCING AGREEMENT IS NOT A GENERAL OBLIGATION OF THE COUNTY, OR A DEBT OR OTHER OBLIGATION OF THE STATE OF OREGON OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE County.

Ratings

The County has received a rating on the Obligations of "Aaa" from Moody's, and will pay the cost thereof. See "Rating" in the Preliminary Official Statement.

Interest Payments and Maturity

Interest on the Obligations is payable semiannually on June 1 and December 1 of each year until maturity, commencing June 1, 2018. The Obligations will be dated with their date of delivery, will be issued in the aggregate principal amount of \$27,450,000⁽¹⁾, and will mature on June 1 of the following dates in the following amounts, subject to adjustment as provided below:

Due		Due	
June 1	Amounts ⁽¹⁾	June 1	Amounts ⁽¹⁾
2018	\$ 2,505,000	2023	\$ 2,690,000
2019	2,375,000	2024	2,815,000
2020	2,420,000	2025	3,000,000
2021	2,500,000	2026	3,190,000
2022	2,600,000	2027	3,350,000

Adjustment of Par Amount and Maturities

The Obligations will be awarded based on the maturity schedule above. However, the County reserves the right to increase or decrease the total principal amount of the Obligations by an amount not to exceed fifteen (15%) of the total following the opening of the bids. Within the limitations of the last sentence, the County also

(1) Preliminary, subject to change.

reserves the right to increase or decrease the par amount of any maturity by the greater of twenty percent (20%) of the par amount of that maturity or \$600,000 in order to properly size the issue and adjust debt service. Notice of any adjustment will be given to the winning bidder after bid opening. The underwriter's spread will be preserved at the same percentage as bid.

Optional Prepayment

The Obligations are not subject to optional prepayment prior to maturity

Term Obligations

Bidders may designate two or more consecutive maturities of the Obligations, with identical interest rates, as Term Obligations. Each Term Obligations will mature on the final maturity date of its consecutive maturities, in an aggregate principal amount equal to the sum of the principal amounts of its consecutive maturities. Term Obligations will be subject to mandatory prepayment at par and in accordance with operational procedures then in effect for The Depository Trust Company ("DTC"), New York, New York, in the amounts and on the dates which would have been consecutive maturities. See "Description of the Obligations - Prepayment Provisions" in the Preliminary Official Statement for a summary of such terms. If no Term Obligations are designated in the winning bid, the Obligations will mature serially as provided in this Official Notice of Sale.

Book-Entry Only

The Obligations will be issued in registered, book-entry only form through DTC. Obligations will be available in denominations of \$5,000, or integral multiples. Unless the book-entry-only system is discontinued, Obligation principal and interest payments will be made by the County to DTC through the County's Escrow Agent. DTC will be responsible for making payments to beneficial owners of Obligations.

Authorization and Purpose

The Obligations are being issued pursuant to Order No. 2017-135 (the "Order") adopted by the County's Board of Commissioners (the "Board") on November 22, 2017 that authorized the County to enter into the Financing Agreement and the Escrow Agreement for the execution and delivery of the Obligations. Such execution and delivery of the Obligations does not require a vote of the people. The Obligations are being issued to refinance certain outstanding Full Faith and Credit Obligations, Series 2007 that financed capital projects and to pay the costs of issuance of the Obligations.

Bidding Constraints

All bids will be subject to the terms and conditions of this Official Notice of Sale. All bids for the Obligations must comply with the following conditions: (1) the interest rate must be a multiple of 1/8 or 1/20th of one percent; (2) the Obligations must bear interest from their date to their stated maturity date at the interest rate specified in the bid; (3) all Obligations maturing on the same date must bear the same rate of interest; (4) bids must be for an amount of not less than one hundred percent (100.00%) and not more than one-hundred and fifteen percent (115.00%) of the principal amount of the Obligations; and (5) the reoffering prices for each maturity cannot be less than ninety six percent (96.00%) of the principal amount of such maturity; and (6) no bid will be considered that does not offer to purchase all of the Obligations.

Bids

Bids must be submitted via **PARITY**. Bids must be received by the **PARITY** system not later than the date and time indicated in the first paragraph of this Official Notice of Sale. To the extent any instructions or directions set forth in **PARITY** conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. Bidders electing to submit bids through **PARITY** must obtain access to the **PARITY** system and bear all risks associated with using that system, including errors and delays in receipt of bids.

For further information about submitting a bid using **PARITY**, potential bidders may contact **PARITY** at Telephone: (212) 849-5021.

Selection of Best Bid and Award of Sale

Unless all bids are rejected, the Obligations will be sold to the responsible bidder submitting the bid which results in the lowest true interest cost based on the submitted bid to the County. True interest cost will be determined by doubling the semiannual interest rate necessary to discount the debt service on the Obligations to February 15, 2018 (the estimated closing date of the Obligations), and the price bid for the Obligations. Each bidder is requested to supply the total interest cost and the true interest cost that the County will pay on the Obligations if the bid is accepted. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the Obligations to their date of delivery.

Good Faith Deposit

The winning bidder will be required to provide a good faith deposit in the amount of \$274,500 in immediately available funds wired to the County not later than 2:00 p.m. (Prevailing Pacific Time) on February 1, 2018. The County or the County's Municipal Advisor will provide the wire information immediately upon the award of bids.

The good faith deposit will be held by the County to secure the County from any loss resulting from the failure of the bidder to comply with the terms of its bid, and will be forfeited to the County as liquidated damages if the bidder to whom the Obligations are awarded withdraws its bid or fails to complete its purchase of the Obligations in accordance with this Official Notice of Sale and its bid.

Interest earnings on the good faith deposit will be the property of the County, and will not be credited against the purchase price of the Obligations. The successful bidder shall pay the balance of the purchase price of the Obligations at closing, in funds immediately available to the County on the date and at the time of closing.

Right of Rejection

The County reserves the right to reject any or all bids, and to waive any irregularities.

Right to Cancel, Change Timing and Terms of Sale

The County reserves the right to change the date, timing or terms under which the Obligations are offered for sale, or to cancel the sale based on market conditions, as communicated through TM3, the Bond Buyer Wire, or the Bloomberg News Network.

Obligation of Winning Bidder to Assist in Establishing Issue Price and to Deliver an Issue Price Certificate at Closing

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Obligations and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the Obligations pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). Prior to the formal award of the sale, and promptly after bids for the Obligations are due, the apparent successful bidder shall provide the Municipal Advisor with the reoffering prices and yields (the "Initial Reoffering Prices"). The Municipal Advisor will advise the winning bidder at that time if the Competitive Sale Requirements were met. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. By submitting a bid for the Obligations, each bidder certifies that it has an established industry reputation for underwriting new issuances of municipal bonds unless specifically noted in the bid.

If the Competitive Sale Requirements are not satisfied, the winning bidder must comply with the "Hold-the-Offering-Price" rule (as described below), as of the award date, for any maturities of the Obligations for which the prospective winning bidder has not sold the first 10% of such maturities to the public at the Initial Reoffering Prices for such maturities set forth in the bid submitted by the winning bidder (the "Unsold Maturities").

Hold-the-Offering-Price. If the Municipal Advisor has informed the Winning Bidder that the Competitive Sale Requirements are not met the winning bidder:

- (a) will offer the Obligations to the public at the Initial Reoffering Prices and provide Special Counsel with reasonable supporting documentation prior to the delivery of the Obligations, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Special Counsel,
- (b) will neither offer nor sell to any person any Obligations at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Obligations of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the Obligations, and
- (c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement or any similar document (to which the winning bidder is a party) relating to the initial sale of the Obligations to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Obligations as set forth in (a) and (b) above.

For purposes of this Notice, a “maturity” refers to Obligations that have the same interest rate, credit and payment terms.

For purposes of this Notice, the “public” does not include (i) the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Obligations to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Obligations to the public), or (ii) any entity that is a “related party” to an entity identified in (i).

Two entities are “related parties” if the entities are subject, directly or indirectly, to more than 50 percent common ownership of (i) the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the County a certificate (the “Issue Price Certificate”), satisfactory to Special Counsel and the winning bidder, prior to the delivery of the Obligations substantially in the form attached.

The County acknowledges that, in making any representations as set forth above regarding the Hold-the-Offering-Price rule, the winning bidder will rely on (i) the agreement of each underwriter to comply with the Hold-the-Offering-Price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Obligations to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Obligations to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price rule as applicable to the Obligations.

Legal Opinion

The approving opinion of Hawkins Delafield & Wood LLP, Special Counsel, of Portland, Oregon, substantially in the form attached to the Preliminary Official Statement as Appendix A, will be delivered to the County at closing. A reliance letter will be provided at no cost to the purchaser.

Tax-Exempt Status

In the opinion of Special Counsel, under existing law and conditioned on the County complying with certain covenants relating to the tax-exempt status of the Obligations, the portion of the payments made under the Financing Agreement designated and constituting interest received by the holders of the Obligations ("Interest") is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, as provided in greater detail in the Preliminary Official Statement for the Obligations. In the opinion of Special Counsel, Interest is exempt from Oregon personal income tax under existing law.

Not Bank Qualified

The County has not designated the Financing Agreement as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

Delivery

It is expected that delivery of the Obligations will be made to the Paying Agent under DTC's Fast Automated Securities Transfer (FAST) program, without cost to the bidder. Delivery of the Obligations will be made on or about February 15, 2017.

CUSIP

The successful bidder for the Obligations is responsible for obtaining CUSIP numbers. The charge of the CUSIP Service Bureau will be paid by the successful bidder; however, all expenses for printing CUSIP numbers on the Obligations shall be paid by the County.

CUSIP identification numbers will appear on the Obligations, but neither the failure to insert such numbers on the Obligations nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Obligations in accordance with the terms of this Official Notice of Sale.

Continuing Disclosure

The County will undertake to provide continuing disclosure for the benefit of the Obligation Owners in compliance with SEC Rule 15c2-12. The form of the undertaking is attached as Appendix D to the Preliminary Official Statement.

Compliance with SEC Rules

The County agrees to provide the successful bidder with one copy of the Final Official Statement in Adobe Portable Document Format (PDF), not later than the seventh business day following the date on which bids are due, to enable the successful bidder to satisfy its responsibilities under the SEC rules, at the expense of the County. The County will also provide paper copies of the Final Official Statement at the request and expense of the bidder. Bidders should expect that the Final Official Statements will not be available prior to the seventh business day following the date on which bids are due, and should not issue confirmations which request payment prior to that date. This provision will constitute a contract with the successful bidder upon acceptance of its bid by the County, in compliance with Section 240.15c2-12(b)(3) in Chapter II of Title 17 of the Code of Federal Regulations.

Bidder's Option Insurance

Bids for the Obligations may not be conditioned upon obtaining insurance or any other credit enhancement. The County does not intend to qualify the Obligations for municipal bond insurance. If the successful bidder wishes to obtain municipal bond insurance for any of the Obligations, the County will cooperate with the

bidder and the insurer to allow the insurance to be issued, but only if doing so does not increase the County's risks or expense. All costs related to municipal bond insurance for the Obligations must be paid by the successful bidder, and no difficulty with, or failure to obtain, any municipal bond insurance will excuse the successful bidder from its obligation to purchase the Obligations pursuant to its bid.

Closing Certificates

At the time of payment for the delivery of the Obligations, the County will furnish the successful bidder a certificate confirming that there is no material litigation pending that is not disclosed in the Official Statement, and that the portions of the Official Statement describing the County do not contain any material misstatements or omissions.

Municipal Advisor

Requests for additional information about this sale should also be directed to Brendan Watkins, Piper Jaffray & Co. (the "Municipal Advisor") at (503) 275-8307.

Preliminary Official Statement and Additional Information

The Preliminary Official Statement for the Obligations (with this Official Notice of Sale) is available in electronic form from i-Deal Prospectus. For information on electronic delivery, please call the i-Deal Prospectus at (212) 849-5024 or contact the Municipal Advisor.

- End of Official Notice of Sale -

FORM OF ISSUE PRICE CERTIFICATE FOR THE OBLIGATIONS

\$ _____

Clackamas County, Oregon
Full Faith and Credit Refunding Obligations, Series 2018

_____, as the [lead] underwriter and winning bidder (the "Winning Bidder") in connection with the competitive sale by Clackamas County, Oregon (the "County") of its \$_____ aggregate principal amount Full Faith and Credit Refunding Obligations, Series 2018 (the "Obligations") pursuant to the Notice of Sale published on [PUBLICATION DATE], hereby certifies as follows:

[the following (1)-(4) to be used in competitive sale requirements are met]

1. The Winning Bidder reasonably expected to reoffer the Obligations on [SALE DATE] to the Public at the prices or yields set forth in the County's final Official Statement relating to the Obligations (the "Official Statement").
2. ATTACHMENT I is a true and correct copy of the bid provided by the Winning Bidder to purchase the Obligations.
3. The Winning Bidder was not given the opportunity to review other bids prior to submitting its bid.
4. The bid submitted by the Winning Bidder constituted a firm offer to purchase the Obligations.

[the following (1)-(4) to be used in competitive sale requirements are not met]

1. As of [SALE DATE] (the "Sale Date"), all of the Obligations have been the subject of an offering to the Public at the prices or yields set forth in the County's Official Statement relating to the Obligations (the "Official Statement").
2. Attached hereto as ATTACHMENT I is a copy of the pricing wire for the Obligations or an equivalent communication showing that each Maturity of the Obligations was offered to the Public on the Sale Date at the price or yield set forth in the Official Statement (the "Initial Offering Price").
3. As of the Sale Date, except for the [PLEASE IDENTIFY UN/UNDERSOLD MATURITIES] (the "Unsold Maturities"), the first price or yield at which at least 10 percent of each Maturity of the Obligations was sold by the Underwriters to the Public was the price or yield set forth in the Official Statement (the "Initial Offering Price").
4. Following the Sale Date, with respect to each Unsold Maturity, the Underwriters, as defined below, in compliance with the applicable provisions of the Notice of Sale, have each agreed in writing not to, and have not, offered or sold the Obligations comprising any such Unsold Maturity to the Public at a price that is higher or yield that is lower than the Initial Offering Price during the period starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least 10 percent of the Obligations of the Unsold Maturity has been sold to the Public.

"Public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a Related Party, as defined below, to an Underwriter.

"Underwriter" means (i) the Winning Bidder, (ii) any person that agrees pursuant to a written contract with the Winning Bidder to form an underwriting syndicate to participate in the initial sale of the Obligations to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) or (ii) of this paragraph to participate in the initial sale of the Obligations to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Obligations to the Public).

"Related Party" means any entity if an Underwriter and such entity are subject, directly or indirectly, to more than 50 percent common ownership of (i) the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) the value of the outstanding stock of the corporation or the capital interests or profit interests of the

partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

We understand that the representations contained herein may be relied upon by the County in making certain of the representations contained in the Tax Certificate, and we further understand that Hawkins Delafield & Wood LLP, as special counsel to the County, may rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest paid with respect to the Obligations pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers who may be considered Related Parties to the Winning Bidder and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated as of the [closing date].

as Underwriter

By: _____

Name: _____

Title: _____

OFFICIAL STATEMENT
Clackamas County, Oregon
\$27,450,000⁽¹⁾

Full Faith and Credit Refunding Obligations, Series 2018

Clackamas County, Oregon (the "County"), a political subdivision duly organized and existing under and by virtue of the laws of the State of Oregon (the "State") furnishes this Official Statement in connection with the offering of \$27,450,000⁽¹⁾ aggregate principal amount of Full Faith and Credit Refunding Obligations, Series 2018 (the "Obligations"), expected to be dated February 15, 2018 (the "Date of Delivery"). This Official Statement, which includes the cover page, inside cover page, Notice of Sale and appendices, provides information concerning the County and the Obligations.

Certain statements contained in this Official Statement do not reflect historical facts, but are forecasts and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, words such as "estimated," "projected," "anticipate," "expect," "intend," "plan," "believe" and similar expressions are intended to identify forward-looking statements. All projections, assumptions and other forward-looking statements are expressly qualified in the entirety by the cautionary statements set forth in this Official Statement.

Capitalized terms used and not defined herein shall have the meanings assigned to such terms in "Appendix E—Form of Financing Agreement and Form of Escrow Agreement," which is attached hereto and incorporated by reference herein.

Description of the Obligations

The Obligations evidence and represent undivided proportionate interests of the Beneficial Owners (as defined herein) thereof in payments (the "Financing Payments") to be made by the County pursuant to the Financing Agreement dated as of the Date of Delivery (the "Financing Agreement"), between the County and U.S. Bank National Association, as paying agent, registrar and escrow agent (the "Escrow Agent" and "Bond Registrar"). The Obligations are executed and delivered pursuant to an escrow agreement (the "Escrow Agreement") dated as of the Date of Delivery, between the County and the Escrow Agent.

Financing Amount, Date, Interest Rates and Maturities

The sum of the principal components of the Financing Payments evidenced and represented by the Obligations will be issued in the aggregate principal amount posted on the cover of this Official Statement and will be dated and bear interest from the Date of Delivery. The principal components of the Financing Payments will mature on the dates and in the amounts set forth on the inside cover of this Official Statement. The interest components of the Financing Payments ("Interest") are payable semiannually on June 1 and December 1 of each year, commencing June 1, 2018, until the maturity or earlier prepayment of the Obligations and will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Disbursement Features

Financing Payments. The Financing Payments will be payable by the Escrow Agent to the Depository Trust Company ("DTC"), which, in turn, is obligated to remit such principal and interest components to its participants ("DTC Participants") for subsequent disbursement to the persons in whose names such Obligations are registered (the "Beneficial Owners") as further described in Appendix C attached hereto.

(1) Preliminary, subject to change.

Book-Entry System. The Obligations will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co. as owner and as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Obligations. Individual purchases and sales of the Obligations may be made in book-entry form only in minimum denominations of \$5,000 within a single maturity and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Obligations. See “Appendix C – Book Entry Only System” for additional information.

Procedure in the Event of Revisions of Book-Entry Transfer System. If the Obligations cease to be in book-entry-only form because DTC resigns as the Depository and the County is unable to retain a qualified successor to DTC, or the County has determined that it is in the best interest of the County not to continue the book-entry-only system for the Obligations, the County will request the Escrow Agent to, and the Escrow Agent and the County shall, amend the Escrow Agreement to provide for an alternative system of registration and payment for the Obligations that is of general acceptance in the municipal bond markets. If no better system is then available, the Escrow Agent and the County shall amend the Escrow Agreement to provide that printed, registered Obligations shall be issued to beneficial owners of the Obligations, and shall give notice of those amendments to all Owners.

Prepayment Provisions

Optional Prepayment. The Obligations are not subject to optional prepayment prior to maturity.

[*Mandatory Prepayment.* The Term Obligations maturing on June 1 in the years ____ and ____ are subject to mandatory prepayment (in such manner as the Bond Registrar and DTC will determine or by lot by the Escrow Agent) on June 1 of the following years in the following principal amounts, at a price of par, without premium, plus accrued interest to the date of prepayment.]

[TO BE PROVIDED IN FINAL OFFICIAL STATEMENT]

Notice of Prepayment (Book-Entry). So long as the Obligations are in book-entry only form and unless DTC consents to a shorter period, the Escrow Agent shall notify DTC of an early prepayment not less than 20 days and not more than 60 days prior to the date fixed for prepayment, and shall provide such information as required by the Blanket Issuer Letter of Representations. Official written notice of prepayment will be given by the County to the Escrow Agent at least five calendar days prior to the date the notice is scheduled to be sent to DTC. The County reserves the right to rescind any prepayment notice as allowed in the Financing Agreement.

Notice of Prepayment (No Book-Entry). If the Obligations cease to be in book-entry-only form, unless waived by any Owner of the Obligations to be redeemed, notice of prepayment shall be given as provided in alternative system of registration and payment for the Obligations described in the Escrow Agreement.

Conditional Notice. Any notice of optional prepayment given pursuant to the Escrow Agreement may state that the optional redemption is conditional upon receipt by the Bond Registrar of moneys sufficient to pay the redemption price of such Obligations or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Bond Registrar to affected Owners of Obligations as promptly as practicable.

Defeasance

All or any portion of the Outstanding Obligations and their related Financing Payments may be defeased, and deemed paid and discharged by irrevocably depositing with the Escrow Agent or an independent escrow agent, in escrow, money and Defeasance Obligations, as defined in the Escrow Agreement, in amounts which are calculated by an independent certified public accountant or other qualified professional to be sufficient, without reinvestment, to pay all principal and interest due on the defeased Obligations (either at maturity or through the date on which the County has irrevocably called the defeased Obligations for prepayment), and by providing the Escrow Agent with an opinion of Special Counsel that such deposits will not cause the interest payable on the Obligations to be includable in gross income under the Code. Obligations which have been

deceased pursuant to this section shall cease and terminate, except for the obligation of the County to pay Additional Charges, as defined in the Financing Agreement, and the Escrow Agent to apply the amounts deposited in escrow to pay the Financing Payments and the deceased Obligations.

Events of Default

The occurrence of one or more of the following shall constitute an Escrow Default under the Agreements:

- a. Failure by the County to pay the Financing Payments required to be paid under the Financing Agreement in the amount and at the time specified in the Financing Agreement;
- b. Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Agreements, but only if the failure continues for a period of 60 days after written notice to the County by the Escrow Agent, specifying such failure and requesting that it be remedied. The Escrow Agent may agree in writing to an extension of this 60 day period. In addition, if the failure stated in the notice cannot be corrected within the applicable period, the Escrow Agent will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County within the applicable period and diligently pursued until the default is corrected; or
- c. The commencement by the County of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or an assignment by the County for the benefit of its creditors, or the entry by the County into an agreement of composition with creditors or the taking of any action by the County in furtherance of any of the foregoing.

Remedies

Upon the occurrence and continuance of any event of default, the Escrow Agent may proceed, and upon written request the Owners of not less than a majority in aggregate principal amount of Obligations then Outstanding shall take whatever action may appear necessary or desirable to enforce the Financing Agreement or to protect any of the rights vested in the Escrow Agent or the Owners of Obligations by the Escrow Agreement or by the Obligations, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Escrow Agreement or in aid of the exercise of any power granted in the Escrow Agreement or for the enforcement of any other legal or equitable right vested in the Escrow Agent by the Escrow Agreement or by law. However, the Financing Amount and the Financing Payments shall not be subject to acceleration.

Authorization for Issuance

The County is authorized pursuant to the Constitution and laws of the State, namely, Oregon Revised Statutes ("ORS") Section 271.390, to enter into financing agreements to finance or refinance real or personal property.

The Obligations are being issued pursuant to Order No. 2017-135 (the "Order") adopted by the County's Board of Commissioners (the "Board") on November 22, 2017 that authorized the County to enter into the Financing Agreement, Escrow Agreement and a purchase agreement for the execution and delivery of the Obligations. Such execution and delivery of the Obligations does not require a vote of the people.

Pursuant to the Financing Agreement, the obligation of the County to make Financing Payments shall be unconditional, and the County shall pay the Financing Payments from any and all of its legally available funds. Pursuant to ORS 287A.315, the County hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the Financing Payments and other amounts due under this Financing Agreement.

The County previously issued its Full Faith and Credit Obligations, Series 2007, dated March 7, 2007, in the original aggregate principal amount of \$49,990,000 (the "Series 2007 Obligations") pursuant to a resolution adopted by the County's Board on February 8, 2007. The Series 2007 Obligations were issued to fund various County projects including the Development Services Building, Central Utility Plant, Utilidor, Central Plaza, Road Projects, and Property Acquisition, and to pay costs of issuance of the Series 2007 Obligations.

A portion of the proceeds of the Obligations will be used to refund all or a portion of the Series 2007 Obligations and to pay the costs of issuance of the Obligations.

Purpose and Use of Proceeds

Purpose

The Obligations are being issued so that the County can obtain a benefit of a savings in total debt service requirements.

Refunding Procedure

A portion of the proceeds of the Obligations will be used to provide funds to establish an irrevocable trust escrow pursuant to an escrow deposit agreement (the “Escrow Deposit Agreement”) between the County and U.S. Bank National Association, as escrow agent thereunder (the “Escrow Deposit Agent”) to refund the Refunded Obligations, as shown below:

Refunded Obligations⁽¹⁾

Series	Total Amount Outstanding	Refunded Maturities	Amount Refunded ⁽¹⁾	Call Date ⁽¹⁾	Call Price ⁽²⁾
2007	\$ 30,295,000	2018-2027	\$ 30,295,000	03/20/18	100%
Refunded Maturities	Amount Refunded ⁽¹⁾	CUSIP 178890	Refunded Maturities	Amount Refunded ⁽¹⁾	CUSIP 178890
6/1/2018	\$ 2,490,000	HT9	6/1/2023	\$ 3,065,000	HY8
6/1/2019	2,600,000	HU6	6/1/2025	6,550,000	JA8
6/1/2020	2,705,000	HV4	6/1/2026	3,485,000	JB6
6/1/2021	2,825,000	HW2	6/1/2027	3,630,000	JC4
6/1/2022	2,945,000	HX0			

(1) Preliminary, subject to change.

(2) Call price is expressed as a percentage of the principal amount.

From the proceeds of the Obligations, the County will purchase certain direct United States government obligations (referred to herein as “Government Obligations”). These Government Obligations will be deposited in the custody of the Escrow Agent. The maturing principal of the Government Obligations, interest earned thereon, and necessary cash balance, if any, will provide funds sufficient to pay interest on the Refunded Obligations and redeem all remaining principal on the call date shown in the preceding table.

The Government Obligations, interest earned thereon, and necessary cash balance, if any, will irrevocably be pledged to and held in trust for the benefit of the Owners of the Refunded Obligations by the Escrow Agent, pursuant to the Escrow Deposit Agreement.

Verification of Mathematical Calculations

Grant Thornton LLP, a firm of independent certified public accountants, will deliver to the County, on or before the settlement date of the Obligations, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Obligations.

Grant Thornton LLP relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the County. In addition, Grant Thornton LLP has relied on any information provided to it by the County’s retained advisors, consultants or legal counsel. Grant Thornton

LLP was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

Sources and Uses of Funds

The proceeds of the Obligations are estimated to be applied as follows:

Estimated Sources and Uses of Funds

Sources of Funds⁽¹⁾	
Par Amount of Obligations	\$ 27,450,000 ⁽²⁾
Original Issue Premium/(Discount)	_____
Total Sources of Funds	<u>\$ _____</u>
Uses of Funds⁽¹⁾	
Escrow Requirements	\$ _____
Underwriting, Credit Enhancement (if any) and Issuance Costs	_____
Total Uses of Funds	<u>\$ _____</u>

(1) Amounts will be provided in the final Official Statement.

(2) Preliminary, subject to change.

Security for the Obligations

General

The Obligations evidence and represent undivided proportionate ownership interests in the installment payments of principal and interest due (the “Financing Payments”) from the County under the Financing Agreement. Under the Financing Agreement, the Financing Payments are secured by and payable from the County’s general non-restricted revenues and other funds that may be available for that purpose. The obligation to pay the Financing Payments is a full faith and credit obligation of the County.

The obligation of the County to make Financing Payments shall be unconditional, and the County shall pay the Financing Payments from any and all of its legally available funds. Pursuant to ORS 287A.315, the County hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the Financing Payments and other amounts due under this Financing Agreement.

The County has covenanted to budget and appropriate in each Fiscal Year, in accordance with the law, sums sufficient to pay when due the Financing Payments and other amounts due under the Financing Agreement.

The Financing Agreement is not a general obligation of the County, the State of Oregon or any other political subdivision. The Obligations are secured solely by the Financing Payments and any sums realized in connection with the remedies available upon the occurrence of an Escrow Default all as provided in the Financing Agreement and Escrow Agreement.

THE OBLIGATION OF THE COUNTY TO MAKE THE FINANCING PAYMENTS AND ADDITIONAL CHARGES IS ABSOLUTE AND UNCONDITIONAL, AND SHALL NOT BE SUBJECT TO ANNUAL APPROPRIATION. THE REGISTERED OWNERS OF THE OBLIGATIONS DO NOT HAVE A LIEN OR SECURITY INTEREST IN THE PROJECT REFINANCED WITH THE PROCEEDS OF THE OBLIGATIONS.

The County’s obligation to make Financing Payments and Additional Charges is not subject to any of the following:

- (1) any setoff, counterclaim, recoupment, defense or other right which the County may have against the Escrow Agent, any contractor or anyone else for any reason whatsoever;

- (2) any insolvency, bankruptcy, reorganization or similar proceedings by the County;
- (3) abatement through damage, destruction or nonavailability of the Projects refinanced with the Financing Agreement; or
- (4) any other event or circumstance whatsoever, whether or not similar to any of the foregoing.

The County’s obligation to make Financing Payments is binding for the term of the Financing Agreement.

Each Obligation owner is entitled proportionately to the principal component of Financing Payments due on the payment date, which is the same as the maturity date of the Obligations. In addition, each Obligation owner is entitled proportionately to receipt of an amount of the interest component of Financing Payments on each payment date attributable to the interest accruing on the principal component attributable to such Obligations at the interest rate set forth for said principal component.

Bonded Indebtedness

Debt Limitation

Full Faith and Credit Obligations/Limited Tax Obligations. Local governments may pledge their full faith and credit for “limited tax bonded indebtedness” or “full faith and credit obligations” in addition to pledging the full faith and credit for voter approved general obligation bonds. Except for pension bonds, a county may not have limited tax full faith and credit obligations outstanding in an amount that exceeds one percent of the Real Market Value (as hereafter defined) of all taxable properties within the county. Full faith and credit obligations can take the form of certificates of participation, notes or capital leases. Collection of property taxes to pay principal and interest on such limited-tax debt is subject to the limitations of Article XI, Sections 11 and 11b of the Constitution of the State of Oregon. **The Obligations are limited tax obligations that are subject to the one percent debt limitation.**

Clackamas County, Oregon Debt Capacity

Measure 5 Real Market Value (Fiscal Year 2018) ⁽¹⁾ :	<u>\$ 69,873,613,727</u>				
	Debt Limit (% of RMV)	Total Debt Capacity	Outstanding Debt Subject to Limit	Remaining Legal Capacity	Percent of Capacity Issued
General Obligation Bonds ⁽²⁾	2.0%	\$ 1,397,472,275	\$ 59,000,000	\$ 1,338,472,275	4.22%
Limited Tax Pension Bonds ⁽³⁾	5.0%	\$ 3,493,680,686	\$ -	\$ 3,493,680,686	0.00%
Limited Tax Bonds ⁽⁴⁾	1.0%	\$ 698,736,137	\$ 99,038,292	\$ 599,697,845	14.17%

(1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors. The County’s fiscal year commences July 1 and ends on June 30 of the following year (the “Fiscal Year”). *Source: Clackamas County Department of Assessment and Taxation.*

(2) Represents voter-approved, unlimited-tax general obligations of the County.

(3) Includes the County’s pension bonds.

(4) Includes the County’s limited-tax obligations, including the Obligations. Preliminary; subject to change.

Source: Clackamas County and this issue.

General Obligation Bonds. ORS 287A.100 establishes a limit on bonded indebtedness for counties. Counties may issue an aggregate principal amount up to two percent of the Real Market Value of all taxable properties within the county if the County’s voters approve the general obligation bonds. General obligation bonds are secured by the power to levy an additional tax outside the limitations of Article XI, Sections 11 and 11b. **The Obligations are not general obligation bonds.**

Pension Bonds. ORS 238.694 authorizes counties to issue full faith and credit obligations to finance pension liabilities in an amount that does not exceed five percent of the Real Market Value of all taxable property in the

county. Pension bonds are not general obligations as defined under State law and the County is not authorized to levy additional taxes to make pension bond payments. **The Obligations are not pension bonds.**

Revenue Bonds. The County may issue revenue bonds for any public purpose, which are secured by revenues pursuant to ORS 287A.150. **The Obligations are not revenue bonds.**

Outstanding Long-Term Debt

Governmental Activities	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding ⁽¹⁾
<i>General Obligation Bonds:</i>				
Series 2016A (Taxable)	09/29/16	06/01/20	\$ 5,845,000	\$ 5,845,000
Series 2016B (Tax-Exempt)	09/29/16	06/01/31	53,155,000	<u>53,155,000</u>
Total General Obligation Bonds				<u>\$ 59,000,000</u>
<i>Full Faith and Credit Obligations:</i>				
Series 2007 (Various County projects)	03/07/07	02/15/18 ⁽²⁾	\$ 49,900,000	\$ 30,295,000
Less: Refunded Obligations				(30,295,000) ⁽³⁾
Series 2009 (Sheriff Projects & DSB)	12/01/09	06/01/29	34,795,000	24,305,000
Series 2012 Refunding Bonds	09/06/12	01/01/33	18,750,000	16,465,000
Series 2012 (Light Rail Project)	09/13/12	07/01/27	20,080,000	16,175,000
Series 2018 Refunding Obligations ⁽³⁾	02/15/18	06/01/27	27,450,000	27,450,000 ⁽³⁾
Total Full Faith and Credit Obligations				<u>\$ 84,395,000</u>
<i>Loans and Notes Payable</i>				
Note Payable to CCSD No. 1	05/17/12	12/31/22	1,720,400	<u>\$ 848,292</u>
<i>Law Enforcement District - Loans and Notes Payable</i>				
<i>Loans and Notes Payable</i>				
North Station Loan	12/30/96	06/01/26	5,365,420	<u>\$ 1,240,000</u>
<i>North Clackamas Park and Recreation District</i>				
<i>Full Faith and Credit Obligations</i>				
Series 2008 Obligations	03/05/08	12/01/27	\$ 8,000,000	\$ 5,160,000
Series 2010 Refunding Obligations	01/28/10	03/01/25	5,660,000	3,340,000
Total North Clackamas Park and Recreation District				<u>\$ 8,500,000</u>
<i>Clackamas County Development Agency</i>				
Series 2011 Obligations	01/10/11	01/15/26	\$ 6,000,000	\$ 4,055,000
Total Governmental Activities Debt				<u>\$ 158,038,292</u>
Business-type Activities				
<i>Clackamas County Service District No. 1</i>				
<i>Revenue Obligations</i>				
Series 2002A	06/01/02	12/01/22	\$ 2,698,000	\$ 840,000
Series 2009A Obligations	03/04/09	12/01/18	38,460,000	2,370,000
Series 2009B Obligations	11/24/09	12/01/19	44,365,000	4,245,000
Series 2010 Obligations	12/22/10	12/01/20	23,710,000	3,255,000
Series 2016 Refunding Obligations	08/30/16	12/01/35	83,250,000	82,235,000
Total Senior Lien Revenue Obligations				<u>\$ 92,945,000</u>
<i>State Loans:</i>				
State CWSRF Loan (NCRA-Johnson Creek-Loan R06224)	01/08/09	12/01/30	\$ 4,142,142	<u>\$ 1,646,239</u>
Total Clackamas County Service District No. 1				<u>\$ 94,591,239</u>
<i>Housing Authority of Clackamas County ⁽⁴⁾:</i>				
Revenue Bonds, Series 2013A ⁽⁵⁾	03/06/13	09/01/49	\$ 16,550,000	\$ 16,075,000
Mortgage Notes Payable	08/01/07	02/01/27	655,742	129,538
Loans Payable	Variable	Variable	176,850	88,182
Total Housing Authority of Clackamas County				<u>\$ 16,292,720</u>
Total Business-Type Activities Debt				<u>\$ 110,883,959</u>

(1) As of Date of Delivery.

(2) Final maturity following redemption of the Refunded Obligations.

(3) This issue. Preliminary, subject to change.

(4) The Housing Authority of Clackamas County ("Authority") expects to issue conduit bonds for the Rosewood Terrace project in the approximate amount of \$34,000,000 in February or March 2018.

(5) The County has made a limited agreement with the Authority in support of an Authority conduit housing revenue bond issuance. Under the agreement, the Authority may request, but the County is not obligated to provide, funding to restore reserve fund balances. The County has full discretion in choosing whether or not to provide such funding in support of the Authority revenue bonds. As of January 2018, the County has not received any requests to appropriate funds to restore the reserve fund balances of this issue.

Source: Clackamas County.

**Full Faith and Credit Obligations
Projected Debt Service Requirements**

Fiscal Year	Outstanding Obligations		Less: Refunded Obligations ⁽¹⁾		The Obligations ⁽¹⁾		Total Debt Service ⁽¹⁾
	Principal	Interest	Principal	Interest	Principal	Interest	
2018	\$ 5,660,000	\$ 3,301,721	\$ 2,490,000	\$ 1,260,531	\$ 2,510,000	\$ 345,825	\$ 8,067,015
2019	5,915,000	3,085,814	2,600,000	1,160,931	2,375,000	1,124,300	8,739,183
2020	6,175,000	2,826,323	2,705,000	1,030,931	2,420,000	1,053,050	8,738,442
2021	6,465,000	2,555,046	2,825,000	895,681	2,500,000	956,250	8,755,615
2022	6,760,000	2,288,192	2,945,000	772,088	2,600,000	856,250	8,787,354
2023	7,060,000	2,008,651	3,065,000	643,244	2,690,000	752,250	8,802,657
2024	7,395,000	1,707,601	3,205,000	489,994	2,815,000	617,750	8,840,357
2025	7,360,000	1,456,298	3,345,000	393,844	3,000,000	477,000	8,554,454
2026	7,695,000	1,208,041	3,485,000	293,494	3,190,000	327,000	8,641,547
2027	8,040,000	908,956	3,630,000	149,738	3,350,000	167,500	8,686,718
2028	10,755,000	521,930	0	0	0	0	11,276,930
2029	3,660,000	293,513	0	0	0	0	3,953,513
2030	1,180,000	158,213	0	0	0	0	1,338,213
2031	1,250,000	122,813	0	0	0	0	1,372,813
2032	1,325,000	85,313	0	0	0	0	1,410,313
2033	1,405,000	43,906	0	0	0	0	1,448,906
	<u>\$ 88,100,000</u>	<u>\$ 22,572,326</u>	<u>\$ 30,295,000</u>	<u>\$ 7,090,476</u>	<u>\$ 27,450,000</u>	<u>\$ 6,677,175</u>	<u>\$ 107,414,025</u>

(1) Principal and interest are provided for illustrative purposes only; amounts and structure are preliminary, subject to change.

**Summary of Overlapping Debt
(As of December 6, 2017)**

Overlapping Issuer Name	Percent Overlapping	Gross Direct Debt⁽¹⁾	Net Direct Debt⁽²⁾
Canby RFPD 62	100.00%	\$ 162,500	\$ 162,500
City of Canby	100.00%	24,114,901	24,114,901
City of Estacada	100.00%	3,710,186	2,652,460
City of Gladstone	100.00%	1,323,000	1,323,000
City of Happy Valley	100.00%	3,300,000	3,300,000
City of Molalla	100.00%	4,130,202	30,000
City of Oregon City	100.00%	18,803,759	0
City of Sandy	100.00%	19,431,567	8,401,219
City of West Linn	100.00%	15,675,000	15,675,000
Clackamas Community College	100.00%	128,273,913	102,608,913
Clackamas Cty SD 108 (Estacada)	100.00%	26,315,000	26,315,000
Clackamas Cty SD 115 (Gladstone)	100.00%	45,922,441	45,922,441
Clackamas Cty SD 12 (North Clackamas)	100.00%	609,813,162	608,890,701
Clackamas Cty SD 35 (Molalla River)	100.00%	15,142,354	15,142,354
Clackamas Cty SD 46 (Oregon Trail)	100.00%	94,905,487	94,905,487
Clackamas Cty SD 53 (Colton)	100.00%	1,341,624	1,341,624
Clackamas Cty SD 62 (Oregon City)	100.00%	73,247,127	72,889,276
Clackamas Cty SD 86 (Canby)	100.00%	60,820,573	60,820,573
Molalla RFPD 73	100.00%	2,834,977	2,834,977
North Clackamas Parks & Rec District	100.00%	8,120,000	0
Oak Lodge Sanitary District	100.00%	17,545,000	0
Clackamas Cty RFPD 1	99.83%	43,687,052	26,825,208
Clackamas Cty ESD	99.48%	22,701,216	22,701,216
City of Milwaukie	99.29%	16,992,561	13,462,631
Clackamas Cty SD 7J (Lake Oswego)	98.79%	247,595,265	247,595,265
Rivergrove Water District 14J	98.66%	619,112	619,112
Clackamas Cty SD 3J (W.Linn-Wilsonville)	98.44%	226,088,689	226,088,689
City of Lake Oswego	94.64%	160,239,368	8,697,140
City of Wilsonville	90.18%	30,530,845	0
Port of Portland	22.27%	13,828,829	0
Multnomah Cty SD 10J (Gresham-Barlow)	19.14%	59,201,839	59,201,839
Metro	18.23%	36,578,345	33,074,166
Mt Hood Community College	16.07%	9,279,250	3,732,958
Tualatin Valley Fire & Rescue District	16.01%	7,596,305	5,626,004
City of Tualatin	14.20%	1,274,087	772,802
Marion Cty SD 4J (Silver Falls)	8.65%	4,130,079	4,130,079
Multnomah Cty SD 28J (Centennial)	7.00%	1,549,341	1,549,341
Washington Cty SD 88J (Sherwood)	6.44%	14,208,565	14,208,565
Pleasant Home Water District	5.67%	89,271	89,271
Multnomah Cty SD 51J (Riverdale)	5.31%	968,868	968,868
Portland Community College	5.21%	20,274,218	15,734,056
Silverton RFPD	5.16%	209,540	209,540
Washington Cty SD 23J (Tigard-Tualatin)	4.48%	12,086,631	12,086,631
Yamhill Cty SD 29J (Newberg)	1.73%	821,103	821,103
Multnomah ESD	1.48%	417,275	0
Northwest Regional ESD	0.95%	41,029	0
Willamette ESD	0.62%	143,103	60,746
City of Portland	0.13%	834,365	194,270
Multnomah Cty SD 1J (Portland)	0.07%	716,062	716,062
		<u>\$ 2,107,634,986</u>	<u>\$ 1,786,495,988</u>

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt. Limited tax pension obligations are included.

(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.

Source: Debt Management Division, The Office of the State Treasurer.

Debt Ratios

The following table presents information regarding the County's direct debt, including the effect of this refunding and the Obligations, and the estimated portion of the debt of overlapping taxing districts allocated to the County's property owners.

Debt Ratios

Total Real Market Value ⁽¹⁾ (Fiscal Year 2018)	\$ 81,395,723,814	
Estimated Population	413,000	
Per Capita Real Market Value	\$ 197,084	
	Gross Direct Debt⁽²⁾	Net Direct Debt⁽³⁾
Debt Information		
County Direct Debt ⁽⁴⁾	\$ 158,038,292	\$ 158,038,292
Overlapping Direct Debt	2,107,634,986	1,786,495,988
Total Direct Debt ⁽⁴⁾	<u>\$ 2,265,673,278</u>	<u>\$ 1,944,534,280</u>
Bonded Debt Ratios⁽⁴⁾		
County Direct Debt to Real Market Value	0.19%	0.19%
Total Direct Debt to Real Market Value	2.78%	2.39%
Per Capita County Direct Debt	\$ 383	\$ 383
Per Capita Total Direct Debt	\$ 5,486	\$ 4,708

- (1) Value represents the total Real Market Value of taxable properties, not including the reduction in Real Market Value of specially assessed properties such as farm and forestland.
- (2) Gross Direct Debt includes all debt with an unlimited (general obligation bonds) and limited (full faith and credit obligations) tax pledge. Limited tax pension obligations are included.
- (3) Net Debt is Gross Direct Debt less any self-supporting obligations which are paid from other revenues sources.
- (4) Includes the Obligations and net of the Refunded Obligations. Preliminary, subject to change.

Sources: Portland State University Population Research Center; Debt Management Division, The Office of the State Treasurer as of December 6, 2017 and Clackamas County Audited Financial Reports for the Fiscal Year Ended June 30, 2017

Debt Payment Record

The County has promptly met principal and interest payments on outstanding bonds and other indebtedness in the past ten years when due.

Future Financings

Capital Projects. The County has no authorized but unissued bonds outstanding nor does it anticipate issuing additional long-term debt within the next twelve months. The County is contemplating two capital projects which may require borrowing within the next three years. The first project is building a new state of the art facility for the Oregon State University Extension Services District to be located on existing County-owned property. This project is estimated to result in approximately \$10 million borrowing in Spring 2018. The second project is construction of a new County courthouse to be located on existing County-owned property. The County estimates issuing \$107 million in debt for the project.

Short-term Notes. The County does not anticipate issuing short-term debt within the next twelve months.

The County

General Description

The County was incorporated in 1843. The County has an area of 1,879 square miles and is the third most populous county in the state, with an estimated population of 413,000 as of July 2017. Lake Oswego is the largest city in the County with an estimated 2017 population of 37,490, followed by Oregon City with an estimated population of 34,610. Other incorporated cities within the County are: Barlow, Canby, Estacada,

Gladstone, Happy Valley, Johnson City, Milwaukie, Molalla, Sandy, West Linn, Wilsonville, and portions of Portland, Rivergrove and Tualatin.

As of June 30, 2017 the County had 2,230 full time, part time and temporary employees. There are eight bargaining units representing approximately 1,937 employees as listed in the following schedule. In addition, there are management and exempt employees.

Bargaining Units

Bargaining Unit	No. of Employees	Contract Expires
Clackamas County Employees Assn. (CCEA) - General County	823	06/30/2018
CCEA - Temporary Employees	191	06/30/2018
CCEA - North Clackamas Park and Recreation District	148	06/30/2018
AFSCME - Central Communications/ Dispatch Service	33	06/30/2018
AFSCME - Department of Transportation and Development	224	06/30/2018
AFSCME - Water Environment Services	76	06/30/2018
FOPPO - Community Corrections ⁽¹⁾	36	06/30/2017
Peace Officers Association (POA) - Sheriff's Deputies ⁽¹⁾	406	06/30/2017

(1) Currently in negotiation.

Sources: Clackamas County Finance Department.

The Board of County Commissioners

The County is governed by a Board of County Commissioners (the "Board") that consists of five nonpartisan members elected from the County at large.

The Board conducts all legislative business of the County in one formal Board meeting per week. It holds informal meetings (policy sessions, executive sessions, and County Administrator updates) one day per week for the purpose of reviewing the formal agenda, hearing information briefings from staff, departments and, very occasionally, outside agencies, and reviewing recommendations and providing informal policy direction to staff. The Board also holds other hearings as required by State law. Some meetings are held outside the Commissioner's office for greater citizen access. The current members of the Board are:

Board of Commissioners

Name	Position	Occupation	Service Began	Term Expires
Jim Bernard	Chair	Small Business/Agriculture	November 2008	Dec. 31, 2020
Sonya Fischer	Commissioner	Attorney/ Business Owner	February 2017	Dec. 31, 2018
Ken Humberston	Commissioner	Retired Law Enforcement	November 2017	Dec. 31, 2020
Paul Savas	Commissioner	Small Business Owner	November 2010	Dec. 31, 2018
Martha Schrader	Commissioner	Small Business Owner	May 2012	Dec. 31, 2020

Source: Clackamas County.

Key Administrative Officials

The day-to-day affairs of the County are managed by a professional administrative staff which includes the following principal officials:

Don Krupp, County Administrator. Mr. Krupp joined the County in September 2013. Prior to joining the County, Mr. Krupp was the County Manager for Thurston County, Washington. He earned his bachelor's degree in public administration from San Diego State in 1976, then worked for Del Mar, California, for two years. He then moved to Arizona and worked as a planner for Coconino County while earning his master's from Northern Arizona University. He then moved to Washington, where he spent most of his career working in

development for the city of Olympia and Washington state before his 12-year stint as Thurston County's manager. He is a full member of the International City/County Management Association ("ICMA").

Laurel Butman, Deputy County Administrator. Ms. Butman joined the County as Deputy County Administrator on May 17, 2010. Her portfolio of departments includes the Sheriff's Office, Juvenile Department, Disaster Management, Central Communications (911), District Attorney's Office, Justice and Circuit Courts, Finance, Employee Services, Public and Government Affairs, and Technology Services. Prior to joining the County, Ms. Butman worked 14 years at the City of Portland's Office of Management & Finance where her last position was as a Principal Management Analyst. She was primarily assigned to strategic planning, budget development and outreach, web services, and special projects in policy and administration.

Ms. Butman has also worked in a part-time capacity as a coach/mentor to students in the Executive MPA program at Portland State University since 2013. She attended the City of Portland's Leadership Institute and acted as a mentor for several years to later participants; she also serves on The County's Leadership Academy Advisory Committee. Her other work experiences include administration and development positions at an inpatient hospice, an HIV day center, and a center for community media. In addition, Ms. Butman has held several leadership positions, serving as president of her neighborhood association, and leading internal and external task forces at the City of Portland. Ms. Butman also served as a founding member of City of Portland's Diversity Development Committee and earned the City's first Diversity Champion Award for an individual. She is an active member of the American Society for Public Administration.

She earned both bachelor's degree in Russian Language & Literature (graduating summa cum laude with a BA) and a certificate in Russian & East European Studies from the University of Oregon in 1984. She earned her Master of Public Administration degree at Portland State University in 2010.

Marc Gonzales, Director, Department of Finance. Mr. Gonzales has been Chief Financial Officer for the County and several of its affiliated agencies since January 1995. He joined the County in 1984. Mr. Gonzales is a past President and past board member of the Oregon Government Finance Officers Association ("OGFOA"), and has been awarded Honorary Life Membership in OGFOA. He has been a member of the Government Finance Officers Association of the US and Canada ("GFOA") for over twenty years. Marc is immediate Past- President of the GFOA. He has also served as ex officio to the GFOA Committee on Retirement Benefits and Administration.

Mr. Gonzales received a bachelor's degree in Business Administration/Accounting from Portland State University in 1983 and his MBA from University of Oregon in June 1996. A resident of the City of Portland, he served six terms as a citizen volunteer on Multnomah County's Investment Advisory Board.

Christa Bosserman Wolfe, Deputy Director, Department of Finance. Ms. Wolfe joined the County November 2010, as the County's Audit Manager, was promoted to Assistant Director of Finance July 2015, and promoted to Deputy Director of Finance in November 2017. Prior to joining the County, Ms. Wolfe worked in the Oregon Department of Environmental Quality as the Principal Accountant, overseeing staff, daily accounting operations, and preparing that agency's financial reports. She also practiced as a Certified Public Accountant and licensed Municipal Auditor with a local public accounting firm that specialized in municipal audits, gaining highly technical skills in governmental accounting and financial reporting.

Ms. Wolfe has been a volunteer special review committee member of the GFOA for the past 7 years, reviewing numerous Comprehensive Annual Financial Reports to ensure they meet the highest standards of financial reporting and are worthy of the prestigious GFOA Certificate of Excellence in Financial Reporting. She also serves on the Accounting Standards and Review Committee for the OGFOA, which provides both comments on proposed GASB pronouncements and guidance to local governments on GASB implementation. In addition, Ms. Wolfe has been active in various mentorship programs, both with the Oregon Society of CPA's and with Portland State University. She serves as an Adjunct Faculty teaching Government and Non-profit Accounting at PSU.

Ms. Wolfe earned a bachelor's degree in Business Administration – Accounting and Business Administration - Management from Portland State University in 2002 and 2003, respectively. She has been a licensed CPA in good standing since May, 1, 2006.

Jian Zhang, Budget Coordinator. Ms. Zhang has been serving in the County Finance Department for twelve years. She obtained bachelor's degrees in both Finance and Accounting from Portland State University.

Chris Storey, Assistant County Counsel. Mr. Storey joined the County in the office of County Counsel in June 2006. Prior to joining the County, Mr. Storey was an attorney in private practice in Portland, Oregon, California and New York. He earned his bachelor's degree in Economics and Rhetoric from Willamette University and his J.D. from New York University School of Law. Mr. Storey is a member of the Bar Association in Oregon, the Oregon Bar's Governmental Law and Environmental Law sections, and was the former New York University staff editor for the *Journal of Legislation and Public Policy*.

Revenue Sources

The following section summarizes certain of the major revenue sources of the County.

County Funding

The County derives revenue from a variety of sources including ad valorem property taxes, state and federal fees, and charges for services. Property taxes and fees accounted for 45.97 percent of the County's Fiscal Year 2017 General Fund revenues, state and federal funds (2.60 percent), and charges for services (6.84 percent). The following section summarizes certain of the major revenue sources of the County.

Property Taxes

Most local governments, school districts, education service districts and community college districts ("local governments") have permanent authority to levy property taxes for operations ("Permanent Rates") up to a maximum rate (the "Operating Tax Rate Limit"). Local governments that have never levied property taxes may request that the voters approve a new Operating Tax Rate Limit.

Local governments may not increase their Operating Tax Rate Limits; rather they may only request that voters approve limited term levies for operations or capital expenditures ("Local Option Levies") or levies to repay general obligation bonded indebtedness ("General Obligation Bond Levies").

Local Option Levies that fund operating expenses are limited to five years, and Local Option Levies that are dedicated to capital expenditures are limited to ten years.

County voters first passed a Public Safety Local Option Levy in November 2006 to fund Public Safety operations at a rate of \$0.2480 per \$1,000 of assessed property value for a five year fiscal period from 2008 through 2012. Voters subsequently renewed the levy at the November 2012 election for an additional five fiscal years, and at the November 2016 election for an additional five fiscal years, extending the levy through Fiscal Year 2022. Money raised by the levy will open existing jail beds, increase the number of patrol deputies and fund greater enforcement for methamphetamine related crimes.

Local governments impose property taxes by certifying their levies to the county assessor of the county in which the local government is located. Property taxes ordinarily can only be levied once each Fiscal Year. The local government ordinarily must notify the county assessor of its levies by July 15.

Valuation of Property – Real Market Value. "Real Market Value" is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an "arms-length" transaction during the period for which the property is taxed.

Property subject to taxation includes all privately owned real property (land, buildings and improvements) and personal property (machinery, office furniture and equipment) for non-residential taxpayers. There is no

property tax on household furnishings (exempt since 1913), personal belongings, automobiles (exempt since 1920), crops, orchards, business inventories or intangible property such as stocks, bonds or bank accounts, except for centrally assessed utilities, for which intangible personal property is subject to taxation.

Property used for charitable, religious, fraternal and governmental purposes is exempt from taxation. Special assessments that provide a reduction in the taxable Real Market Value may be granted (upon application) for veterans' homesteads, farm and forest land, open space and historic buildings. The Real Market Value of specially assessed properties is often called the "Taxable Real Market Value" or "Measure 5 Real Market Value." The assessment roll, a listing of all taxable property, is prepared as of January 1 of each year.

Valuation of Property – Assessed Value. Property taxes are imposed on the assessed value of property. The assessed value of each parcel cannot exceed its Taxable Real Market Value, and ordinarily is less than its Taxable Real Market Value. The assessed value of property was initially established in 1997 as a result of a constitutional amendment. That amendment (now Article XI, Section 11, often called "Measure 50") assigned each property an assessed value and limited increases in that assessed value to three percent per year, unless the property is improved, rezoned, subdivided, or ceases to qualify for exemption. When property is newly constructed or reassessed because it is improved, rezoned, subdivided, or ceases to qualify for exemption, it is assigned an assessed value that is comparable to the assessed value of similar property.

The Oregon Department of Revenue ("ODR") appraises and establishes values for utility property, forestland and most large industrial property for county tax rolls. It collects taxes on harvested timber for distribution to schools, county taxing districts, and State programs related to timber. Certain properties, such as utilities, are valued on the unitary valuation approach. Under the unitary valuation approach, the taxpaying entity's operating system is defined and a value is assigned for the operating unit using the market value approach (cost, market value and income appraisals). Values are then allocated to the entities' operations in Oregon, and then to each county the entity operates in and finally to site locations.

Generally speaking, industrial properties are valued using an income approach, but ODR may apply additions or retirements to the property value through a cost of materials approach. Under the income and cost of materials approaches, property values fluctuate from year-to-year.

Tax Rate Limitation – Measure 5. A tax rate limitation was established in 1990 as the result of a constitutional amendment. That amendment (now Article XI, Section 11b, often called "Measure 5") separates property taxes into two categories: one to fund the public school system (kindergarten through grade twelve school districts, education service districts and community college districts, collectively, "Education Taxes") and one to fund government operations other than the public school system ("General Government Taxes"). Education Taxes are limited to \$5 per \$1,000 and General Government taxes are limited to \$10 per \$1,000 of the Taxable Real Market Value of property (the "Measure 5 Limits"). If the taxes on a property exceed the Measure 5 Limit for Education or General Government, then tax rates are compressed to the Measure 5 Limit. Local Option Levy rates compress to zero before there is any compression of Permanent Rates. In Fiscal Year 2018, there was \$28,293.60 of compression of the County's Permanent Rate due to the tax rate limitation. In addition, there was \$135,832.46 of compression of the County's Local Option Levy.

Taxes imposed to pay the principal and interest on the following bonded indebtedness are not subject to Measure 5 Limits: (1) bonded indebtedness authorized by a specific provision of the Oregon Constitution; and (2) general obligation bonded indebtedness incurred for capital costs approved by the electors of the issuer and bonds issued to refund such bonds. **Property taxes imposed to pay the principal of and interest on the Obligations are subject to the limitations of Article XI, Sections 11 and 11b.**

In 2007 the Oregon Supreme Court determined that taxes levied by general purpose governments (such as cities and counties) may be subject to the \$5 per \$1,000 limit if those taxes are used for educational services provided by public schools.

Property Tax Collections. Each county assessor is required to deliver the tax roll to the county tax collector in sufficient time to mail tax statements on or before October 25 each year. All tax levy revenues collected by a county for all taxing districts within the county are required to be placed in an unsegregated pool, and each taxing district shares in the pool in the same proportion as its levy bears to the total of all taxes levied by all

taxing districts within the county. As a result, the tax collection record of each taxing district is a *pro-rata* share of the total tax collection record of all taxing districts within the county combined.

Under the partial payment schedule, taxes are payable in three equal installments on the 15th of November, February and May of the same Fiscal Year. The method of giving notice of taxes due, the county treasurer’s account for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all specified by detailed statutes. The lien for property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, a county may not commence foreclosure of a tax lien on real property until three years have passed since the first delinquency.

A Senior Citizen Property Tax Deferral Program (1963) allows certain homeowners to defer taxes until death or sale of the home. A similar program is offered for Disability Tax Deferral (2001), which does not have an age limitation.

The following tables represent historical tax information for the County.

Taxable Property Values

Fiscal Year	Total Real Market Value	M5 Real Market Value⁽¹⁾	Total Assessed Valuation	Urban Renewal Excess	AV Used to Calculate Rates⁽²⁾
2018	\$ 81,395,723,814	\$ 69,873,613,727	\$ 48,631,492,464	\$ 1,848,430,220	\$ 46,783,062,244
2017	73,944,244,111	63,521,203,283	46,405,129,768	1,765,321,819	44,639,807,949
2016	65,696,848,483	56,348,322,027	44,293,383,289	1,590,334,845	42,703,048,444
2015	59,381,304,633	51,015,222,201	42,300,451,426	1,446,391,649	40,854,059,777
2014	53,618,317,926	45,905,312,668	40,373,491,335	1,338,997,118	39,034,494,217
2013	51,395,756,440	44,029,803,115	38,868,044,294	1,815,388,164	37,052,656,130

- (1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.
- (2) Assessed value of property in the County on which the Permanent Rate is applied to derive *ad valorem* property taxes, excluding urban renewal, exempt property within enterprise zones and any other offsets.

Source: Clackamas County Department of Assessment and Taxation.

Property Tax Exemption Programs. Oregon statutes authorize a wide variety of full and partial property tax exemptions, including exemptions for property owned or used by cities, counties, schools and other local governments, property of the federal government, property used by religious and charitable entities, property used for low-income housing, historical property and transit oriented property.

The Oregon Enterprise Zone program is a State of Oregon economic development program that allows for property tax exemptions for three to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by State statutes and the local sponsor.

The Strategic Investments Program (“SIP”) was authorized by the Legislative Assembly in 1993 to provide tax incentives for capital investments by “traded-sector” businesses, including manufacturing. SIP recipients receive a 15 year property tax exemption on new construction over \$25 million outside of urban areas, and over \$100 million in urban areas. The exemption value (\$25 million or \$100 million) then increases three percent per year. SIP recipients pay an annual Community Service Fee which is equal to 25 percent of the value of the tax break, which is allocated to local governments through local negotiations. The Community Service Fee is not considered a property tax and thus is outside of the Measure 5 Limit. There are no SIP Agreements within the County’s boundaries.

GASB 77. Beginning with the Fiscal Year 2017 financial statements, GASB Statement No. 77 requires local governments to disclose information related to tax abatement programs and amounts abated. Tax abatements result from agreements entered into by the reporting government, as well as those that are initiated by other

governments, which reduce the reporting government's tax revenues. In Fiscal Year 2017, the County reported a loss of \$243,938 in tax revenues due to tax abatement programs.

Natural and Economic Forces. Natural and economic forces can affect the assessed value of taxable property in the County and the County's collection of revenues. The County is located in the Pacific Northwest, a region subject to periodic significant earthquakes. Such an earthquake and/or tsunami could cause extensive damage to structures and infrastructure along the Pacific coast and could disrupt transportation, communications, water and sewer systems, power and gas delivery and fuel supplies along the Pacific coast and within the County. The County cannot predict how such seismic activity could impact its revenue sources, including property taxes. Other natural or man-made disasters, such as flood, fire, toxic dumping or acts of terrorism, could also cause a reduction in the assessed value of taxable property within the County or adversely affect the County's revenues. Economic and market forces, such as a downturn in the economy generally, can also affect assessed values. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

Tax Rates and Collections. The following table presents the Fiscal Year 2018 tax rates for the County and other taxing jurisdictions within the County. The County's Operating Tax Rate Limit for areas defined as "city" is \$2.4036 per \$1,000 of assessed property value. The County's Operating Tax Rate Limit for the other rural areas is \$2.9517 per \$1,000 of assessed property value. The Operating Tax Rate Limit was calculated in conjunction with the implementation of Measure 50 in 1997. The Permanent Rates shown in the following table are the rates that are actually applied to the assessed value of the taxing district. The Permanent Rates may be different from the Operating Tax Rate Limit of the taxing district due to the decision by the taxing district to levy less than its Operating Tax Rate Limit.

**Fiscal Year 2018 Representative Levy Rate
(Rates per \$1,000 of Assessed Value)
Tax Code Area 003-002 (City)**

	Permanent Rate	Bond Levy Rate	Local Option Rate ⁽¹⁾	Consolidated Rate	Urban Renewal Portion of the Consolidated Rate ⁽²⁾
General Government					
City of West Linn	\$ 2.1200	\$ 0.4175	\$ 0.0000	\$ 2.5375	\$ 0.0000
County Clackamas (City)	2.4042	0.1000	0.2480	2.7522	0.0009
County Extension & 4H	0.0500	0.0000	0.0000	0.0500	0.0002
County Library Service	0.3974	0.0000	0.0000	0.3974	0.0018
County Soil and Water Conservation	0.0500	0.0000	0.0000	0.0500	0.0002
Tualatin Valley Fire & Rescue No. 64	1.5252	0.1023	0.4500	2.0775	0.0000
Port of Portland	0.0701	0.0000	0.0000	0.0701	0.0003
Service 2 Metro	0.0966	0.2162	0.0960	0.4088	0.0006
Vector Control	0.0065	0.0000	0.0250	0.0315	0.0000
Total General Government	6.7200	0.8360	0.8190	8.3750	0.0040
Education					
Clackamas Community College	\$ 0.5582	0.1873	\$ 0.0000	\$ 0.7455	\$ 0.0042
Clackamas ESD	0.3687	0.0000	0.0000	0.3687	0.0017
West Linn/Wilsonville School District	4.8684	2.7050	1.5000	9.0734	0.0000
Total Education	5.7953	2.8923	1.5000	10.1876	0.0059
Total Tax Rate	\$ 12.5153	\$ 3.7283	\$ 2.3190	\$ 18.5626	\$ 0.0099

NOTE: County assessors report levy rates by tax code. Levy rates apply to the assessed property value. Measure 5 Limits are based on the Taxable Real Market Value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).

- (1) Local Option Levies are voter-approved serial levies. They are limited by ORS 280.060 to five years for operations or ten years for capital construction. Local Option Levy rates compress to zero before there is any compression of overlapping jurisdictions' Permanent Rates (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).
- (2) A portion of a taxing district's consolidated rate is contributed to the Clackamas County Urban Renewal Agency through tax increment financing.

Source: Clackamas County Department of Assessment and Taxation. Tax Code 003-002 (represented in the table above) has the highest property value of the tax codes for areas defined as "city" in the County.

**Fiscal Year 2018 Representative Levy Rate
(Rates per \$1,000 of Assessed Value)
Tax Code Area 012-051 (Rural)**

	Permanent Rate	Bond Levy Rate	Local Option Rate ⁽¹⁾	Consolidated Rate	Urban Renewal Portion of the Consolidated Rate ⁽²⁾
General Government					
County Clackamas (Rural)	\$ 2.9766	0.1000	0.2480	\$ 3.3246	\$ 0.0287
County Extension & 4H	0.0500	0.0000	0.0000	0.0500	0.0002
County Law Enhanced	0.7198	0.0000	0.0000	0.7198	0.0155
County Library Service	0.3974	0.0000	0.0000	0.3974	0.0018
County Soil and Water Conservation	0.0500	0.0000	0.0000	0.0500	0.0002
Clackamas County Fire District No. 1	2.4012	0.1063	0.0000	2.5075	0.0247
Port of Portland	0.0701	0.0000	0.0000	0.0701	0.0003
Park North Clackamas	0.5382	0.0000	0.0000	0.5382	0.0086
Service 2 Metro	0.0966	0.2162	0.0960	0.4088	0.0006
Vector Control	0.0065	0.0000	0.0250	0.0315	0.0000
Total General Government	<u>7.3064</u>	<u>0.4225</u>	<u>0.3690</u>	<u>8.0979</u>	<u>0.0806</u>
Education					
Clackamas Community College	\$ 0.5582	0.1873	\$ 0.0000	\$ 0.7455	\$ 0.0042
Clackamas ESD	0.3687	0.0000	0.0000	0.3687	0.0017
North Clackamas School	4.8701	2.3542		7.2243	0.0923
Total Education	<u>5.7970</u>	<u>2.5415</u>	<u>0.0000</u>	<u>8.3385</u>	<u>0.0982</u>
Total Tax Rate	<u>\$ 13.1034</u>	<u>\$ 2.9640</u>	<u>\$ 0.3690</u>	<u>\$ 16.4364</u>	<u>\$ 0.1788</u>

NOTE: County assessors report levy rates by tax code. Levy rates apply to the assessed property value. Measure 5 Limits are based on the Taxable Real Market Value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).

- (1) Local Option Levies are voter-approved serial levies. They are limited by ORS 280.060 to five years for operations or ten years for capital construction. Local Option Levy rates compress to zero before there is any compression of overlapping jurisdictions' Permanent Rates (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).
- (2) A portion of a taxing district's consolidated rate is contributed to the Clackamas County Urban Renewal Agency through tax increment financing.

Source: Clackamas County Department of Assessment and Taxation. Tax Code 012-051 (represented in the table above) has the highest property value of the tax codes for areas defined as "rural" in the County.

**Clackamas County
Tax Collection Record⁽¹⁾**

Fiscal Year	Percent Collected as of	
	Levy Year ⁽²⁾	6/30/2017 ⁽³⁾
2017	98.09%	98.09%
2016	97.81%	98.84%
2015	97.67%	99.14%
2014	97.49%	99.41%
2013	97.04%	99.54%
2012	96.73%	99.58%

- (1) Percentage of total tax levy collection in Clackamas County. Pre-payment discounts are considered to be collected when outstanding taxes are calculated. The tax rates are before offsets.
- (2) The percentage of taxes collected in the “year of the levy” represents taxes collected in a single levy year, beginning July 1 and ending June 30.
- (3) The percentage of taxes shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2017.

Source: Clackamas County Department of Assessment and Taxation.

**Major Taxpayers
(As of Fiscal Year 2018)
Clackamas County**

Taxpayer	Business/Service	Tax ⁽¹⁾	Assessed Value ⁽²⁾	Percent of Value
Portland General Electric	Electrical Utility	\$ 10,876,866	\$ 775,951,510	1.60%
General Growth Properties Inc.	Town Center Mall	4,245,035	257,951,531	0.53%
Fred Meyer Fuel	Retail	4,196,741	250,265,670	0.51%
Shorenstein Properties LLC	Kruse Way Office Buildings	3,720,889	211,504,059	0.43%
Comcast Corporation	Telecommunications	3,621,632	206,549,400	0.42%
Northwest Natural Gas Co.	Natural Gas Utility	3,409,090	220,928,000	0.45%
PCC Structurals, Inc.	Manufacturing/ Aerospace	2,408,394	141,664,895	0.29%
Meadows Road LLC	Commercial	1,544,675	86,882,160	0.18%
Mentor Graphic Corp	Computer software	1,532,812	84,145,803	0.17%
ROIC Oregon LLC	Shopping Center	1,335,831	76,902,028	0.16%
Subtotal - ten of County's largest taxpayers			2,312,745,056	4.76%
All other County's taxpayers			46,318,747,408	95.24%
Total County			\$ 48,631,492,464	100.00%

- (1) Tax amount is the total tax paid by the taxpayer within the boundaries of the County and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.
- (2) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

Source: Clackamas County Department of Assessment and Taxation.

Other Taxes

Oregon cities and counties generally have broad authority to impose taxes on activities within their boundaries. Certain Oregon cities and counties currently impose business license taxes, food and beverage taxes, motor vehicle fuel taxes, transient room taxes and other taxes. Generally these taxes must be either approved by the voters or may be subject to referral by the voters.

The Legislative Assembly generally has the authority to limit or prohibit local governments from imposing taxes, and has limited a number of local government taxes, including transient room taxes and real estate transfer taxes. Each local government has its own mix of taxes, as well as fees and other revenue sources.

Measure 3-510 (“M3-510”) was approved by the voters at the November 2016 election. M3-510, “Authorizing Tax on Retail Sales of Marijuana Items,” establishes a 3% tax on the sale of recreational marijuana items within the County. Net proceeds from the tax will be available for expenditure at the County’s discretion. The County received \$188,741 in Fiscal Year 2017 and has budgeted \$222,313 in 2018.

Local Government Fees

Oregon cities and counties generally have broad authority to impose and collect fees for services. Many cities and counties collect sewer, water, electric and other enterprise fees, building permit fees, and surface water management fees.

Other local governments, such as special purpose districts, generally require legislative authorization to impose fees for services. Local governments that are authorized to operate utility systems generally are authorized to impose fees for services that are sufficient to pay for their costs of operating and financing their utility systems.

The Legislative Assembly generally has the authority to limit or prohibit local governments from imposing fees for services. Cities are currently authorized to collect franchise fees from utilities, while other local governments including the County are prohibited from doing so.

Federal and State Revenues

Federal and State Revenues represented approximately 14.8 percent of the County’s total governmental activities revenues in Fiscal Year 2017. These funds are generally dedicated to specific purposes.

State of Oregon Funding

Oregon cities and counties receive a share of the revenues the State receives from taxing motor vehicle fuels. The Oregon Constitution requires that these revenues be used only to pay for costs of public roads. Oregon cities and counties also receive a share of the revenues the State of Oregon receives from tobacco taxes and liquor taxes.

The State of Oregon also appropriates money to Oregon counties to operate the justice system, and it provides a wide variety of funding for other purposes.

The State of Oregon is generally not obligated to continue to provide these revenues to local governments.

Financial Factors

Financial Reporting and Accounting Policies

The County’s basic financial statements were prepared in conformity with generally accepted accounting principles (“GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”).

Additional information on the County’s accounting methods is available in the County’s audited financial statements. A copy of the County’s audited financial report for Fiscal Year 2017 is attached hereto as Appendix B.

Auditing

Each Oregon political subdivision must obtain an audit and examination of its funds and account groups at least once each year pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555. Political subdivisions having annual expenditures of less than \$750,000, with the exception of counties and school districts, are exempt from this requirement. All Oregon counties and school districts, regardless of amount of annual expenditures, must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing political subdivisions.

The County audits for the Fiscal Years 2013 through 2017 (“County Audited Financial Statements”) were performed by Moss-Adams LLP, CPAs, in Eugene, Oregon (the “Auditor”). The audit report for Fiscal Year 2017 indicates the financial statements, in all material respects, fairly present the County’s financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information and the respective changes in financial position and the cash flows, where applicable, in conformance with accounting principles generally accepted in the United States of America. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of their report on the 2017 Fiscal Year.

Future financial statements may be obtained from the Electronic Municipal Market Access (“EMMA”) system, a centralized repository operated by the Municipal Securities Rulemaking Board (“MSRB”), currently located at: www.emma.msrb.org.

Summaries of the County's Net Position and Changes in Net Position follow:

Statement of Net Position - Governmental Activities
(Fiscal Years)

Assets	2013	2014	2015	2016	2017
Cash and investments - unrestricted	\$ 191,997,654	\$ 197,653,984	\$ 219,410,635	\$ 230,610,321	\$ 246,991,373
Cash and investments - restricted	-	-	-	5,214,938	64,959,876
Taxes receivable	9,630,099	8,713,921	8,719,811	9,174,408	9,538,196
Accounts receivable, net	11,467,136	8,471,242	10,946,035	10,923,583	12,085,282
Assessments receivable including interest, net	617,947	466,500	93,657	78,170	78,169
Grants receivable	10,747,881	8,495,500	9,735,584	11,594,585	9,845,330
Notes and loans receivable	13,923,510	14,155,700	14,590,332	14,323,941	14,470,387
Internal balances	1,580,434	1,880,052	1,657,463	1,373,759	1,695,683
Other assets	1,097,719	810,461	804,573	1,999,476	841,512
Property held for sale	14,688,273	14,175,884	13,514,851	11,342,202	10,427,280
Net pension asset ⁽¹⁾	1,028,059	-	42,387,914	-	-
Capital assets:					
Capital assets not being depreciated	418,673,450	388,200,751	396,724,403	418,378,482	428,843,008
Depreciable capital assets, net of depreciation	359,913,018	362,845,611	341,522,079	315,950,003	307,935,575
Total Assets	<u>1,035,365,180</u>	<u>1,005,869,606</u>	<u>1,060,107,337</u>	<u>1,030,963,868</u>	<u>1,107,711,671</u>
Deferred Outflows of Resources⁽²⁾					
Pension related deferrals	-	-	17,501,096	28,627,461	142,846,799
Deferred charge on debt refunding	-	298,954	257,493	216,034	174,574
Total Deferred Outflows of Resources	<u>-</u>	<u>298,954</u>	<u>17,758,589</u>	<u>28,843,495</u>	<u>143,021,373</u>
Liabilities					
Accounts and claims payable	16,758,943	16,922,598	22,546,834	23,106,432	21,049,405
Accrued payroll	13,328,488	14,055,103	16,573,557	19,365,865	13,008,808
Deposits	1,024,570	1,002,173	1,497,933	1,907,051	1,710,978
Unearned revenue ⁽²⁾	16,503,869	5,580,028	4,605,791	10,350,164	11,044,300
Accrued interest payable	1,224,111	1,049,221	1,056,321	933,670	2,078,153
Noncurrent liabilities:					
Portion due or payable within one year:					
Compensated absences	9,958,646	9,550,582	10,028,108	10,410,726	11,443,303
Bonds payable	5,435,000	6,040,000	6,446,712	6,686,712	8,761,775
Loans and notes payable	1,463,559	1,519,922	1,519,922	1,089,452	110,000
Portion due or payable after one year:					
Compensated absences	1,359,284	1,303,586	1,368,765	1,420,989	1,561,928
Bonds payable	123,598,100	117,472,396	110,863,972	104,177,155	161,231,789
Loans and notes payable	17,033,394	13,387,889	9,530,284	5,446,026	1,978,294
Other postemployment benefits	22,279,130	24,192,667	23,986,632	26,631,789	29,898,458
Net pension liability	-	-	-	109,436,357	261,211,424
Total Liabilities	<u>229,967,094</u>	<u>212,076,165</u>	<u>210,024,831</u>	<u>320,962,388</u>	<u>525,088,615</u>
Deferred Inflows of Resources⁽²⁾					
Pension related deferrals	-	-	81,831,580	25,886,031	11,181,619
Net Position					
Net investment in capital assets	657,261,448	657,008,010	652,320,020	653,007,769	664,859,863
Restricted					
Culture, education and recreation	15,328,934	12,604,325	18,882,565	26,051,737	30,120,533
Debt service	38,066,247	38,195,278	32,045,808	32,248,038	30,095,874
Economic development	1,642,318	2,019,091	2,307,685	19,133,253	4,765,853
Health and human services	16,407,911	13,482,303	18,516,156	18,075,364	21,343,150
Public protection	2,713,552	2,001,991	1,521,359	2,082,867	13,841,302
Public ways and facilities	27,100,151	12,964,950	14,969,086	21,310,775	17,167,003
Unrestricted ⁽³⁾	46,877,525	55,816,447	45,446,836	(58,950,859)	(67,730,768)
Total Net Position	<u>\$ 805,398,086</u>	<u>\$ 794,092,395</u>	<u>\$ 786,009,515</u>	<u>\$ 712,958,944</u>	<u>\$ 714,462,810</u>

- (1) In Fiscal Year 2015 the County adopted GASB Statements 68 and 71 which establish new standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures for pension plans (see "Financial Factors - Pension System" herein).
- (2) In Fiscal Year 2014, the County implemented GASB 65, which updated definitions of items previously reported as Assets and Liabilities to be reported as Deferred Outflows or Inflows of Resources. This implementation changed the financial statement presentation of the Statement of Net Position, adding Deferred Outflows and Inflows, as well as contributed to the decrease in Fiscal Year 2014 Governmental Activities unearned revenue due to the implementation of GASB 65.
- (3) Decrease in Fiscal Year 2016 and 2017 unrestricted Governmental Activities net position is primarily due to the implementation of GASB 68 and 71.

Source: Clackamas County Audited Financial Statements.

Statement of Activities – Governmental Activities
(Fiscal Years)

Revenues	2013	2014	2015	2016	2017
Property taxes levied for:					
General purposes	\$ 96,175,474	\$ 102,160,119	\$ 106,743,166	\$ 111,586,054	\$ 117,183,023
Public safety services	14,182,380	15,388,788	16,146,425	16,851,650	17,620,562
Parks and recreation operations	5,414,332	5,989,488	6,240,654	6,548,536	6,870,480
Education outreach services	1,807,670	1,914,394	2,002,309	2,094,342	2,184,606
Redevelopment districts, debt service	13,242,827	867,290	1,942,513	2,320,685	2,736,120
Library debt service	14,354,248	15,188,458	15,887,208	16,604,028	17,349,815
Transient lodging taxes	3,198,007	3,421,817	3,786,205	4,416,411	4,485,340
Gain (loss) on disposal of assets	77,484	-	-	835,065	-
Earnings on investments	898,167	726,719	1,056,700	1,243,628	1,804,929
Miscellaneous	6,062,273	8,056,507	1,266,855	7,376,864	5,017,778
Transfers in (out)	100,000	(4,027,543)	300,000	250,000	300,000
Fees, Fines, and Charges for Services ⁽¹⁾	51,812,812	56,543,084	65,074,481	73,671,976	63,782,821
Operating Grants and Operations ⁽²⁾	146,940,719	150,923,086	154,980,697	159,505,203	156,436,827
Capital Grants and Contributions ⁽²⁾	19,437,607	8,466,013	8,559,906	14,388,997	13,198,149
Total Revenues	<u>373,704,000</u>	<u>365,618,220</u>	<u>383,987,119</u>	<u>417,693,439</u>	<u>408,970,450</u>
Expenses					
Governmental activities					
General government	35,501,324	28,471,546	39,290,154	72,246,141	45,758,369
Public protection	106,157,070	111,508,421	96,094,259	155,575,864	132,468,019
Public ways and facilities	70,988,614	70,903,153	36,815,783	51,744,912	46,463,462
Health and human services	112,216,170	114,810,477	93,081,955	148,051,688	122,808,653
Culture, education and recreation	35,246,149	35,046,170	31,076,823	43,859,482	42,295,850
Economic development	12,154,274	10,699,874	12,253,751	14,670,960	13,678,623
Interest and fiscal charges	5,121,341	5,484,270	5,133,486	4,594,963	3,993,608
Total Expenses	<u>377,384,942</u>	<u>376,923,911</u>	<u>313,746,211</u>	<u>490,744,010</u>	<u>407,466,584</u>
Increase (decrease) in net position	<u>(3,680,942)</u>	<u>(11,305,691)</u>	<u>70,240,908</u>	<u>(73,050,571)</u>	<u>1,503,866</u>
Net position- July 1	<u>809,079,028</u> ⁽³⁾	<u>805,398,086</u>	<u>794,092,395</u>	<u>786,009,515</u>	<u>712,958,944</u>
Cumulative Effect Implementing GASB 68 ⁽⁴⁾	<u>-</u>	<u>-</u>	<u>(78,323,788)</u>	<u>-</u>	<u>-</u>
Restatement of Net Position	<u>-</u>	<u>-</u>	<u>715,768,607</u>	<u>786,009,515</u>	<u>712,958,944</u>
Total Net Position	<u>\$ 805,398,086</u>	<u>\$ 794,092,395</u>	<u>\$ 786,009,515</u>	<u>\$ 712,958,944</u>	<u>\$ 714,462,810</u>

- (1) Fines Fees and Charges for services have continued to increase year over year due to growth in the housing market, increases in property tax revenues, transient lodging taxes growth, and increased investment earnings.
- (2) Operating and Capital Grants vary from the year to year due to the nature of the agreements.
- (3) Net Position previously reported at \$806,585,486; restated due to cumulative effect of correcting an error of \$371,121 and reclassification fund type of \$2,122,421.
- (4) Restatement in Fiscal Year 2015 due to the implementation of GASB Statements No. 68 and 71.

Source: Clackamas County Audited Financial Statements.

A five-year summary of the County's General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance follows.

General Fund Balance Sheet
(Fiscal Years)

Assets	2013	2014	2015	2016	2017
Cash and investments	\$ 34,469,654	\$ 37,559,187	\$ 44,853,074	\$ 34,943,084	\$ 103,418,152
Taxes receivable	6,408,452	6,269,287	6,273,835	6,589,099	6,841,985
Accounts receivable	593,916	591,270	687,830	932,914	1,138,606
Assessment receivable	-	-	-	16,219	16,219
Grants receivable	24,750	469	59,120	19,005	252,539
Due from other funds	1,098,255	1,354,427	1,573,561	2,034,403	3,393,081
Prepaid items	3,180	31,005	50,801	1,258,349	100,236
Total Assets and Other Debits	<u>42,598,207</u>	<u>45,805,645</u>	<u>53,498,221</u>	<u>45,793,073</u>	<u>115,160,818</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities:					
Book overdraft	-	-	-	1,863	-
Accounts payable	769,283	512,603	855,804	681,678	1,496,011
Accrued payroll	3,104,934	3,158,814	4,415,963	5,075,780	5,581,094
Due to other funds	-	-	-	274,350	-
Unearned revenue	-	-	-	16,219	16,219
Deposits	114,384	180,332	352,713	281,531	303,579
Total Liabilities:	<u>3,988,601</u>	<u>3,851,749</u>	<u>5,624,480</u>	<u>6,331,421</u>	<u>7,396,903</u>
Deferred Inflows of Resources:					
Unavailable revenue	5,702,586	5,453,602	6,170,223	6,892,364	7,033,173
Fund Balances:					
Nonspendable	3,180	31,005	50,801	1,258,349	100,236
Restricted	-	-	-	-	66,165,794
Unassigned	32,903,840	36,469,289	41,652,717	31,310,939	34,464,712
Total Fund Balances	<u>32,907,020</u>	<u>36,500,294</u>	<u>41,703,518</u>	<u>32,569,288</u>	<u>100,730,742</u>
Total Liabilities and Fund Balance	<u>\$ 42,598,207</u>	<u>\$ 45,805,645</u>	<u>\$ 53,498,221</u>	<u>\$ 45,793,073</u>	<u>\$ 115,160,818</u>

Source: Clackamas County Audited Financial Statements.

**General Fund Statement of Revenues, Expenditures and
Changes in Fund Balance
(Fiscal Years)**

Revenues	2013	2014	2015	2016	2017
Property taxes	\$ 96,268,909	\$ 102,160,119	\$ 106,561,598	\$ 111,092,544	\$ 116,939,197
Licenses and permits	2,175,583	2,340,291	2,433,813	4,848,450	5,559,031
Fines, forfeitures, and penalties	124,688	80,695	92,094	77,795	44,058
Interest	143,579	140,990	259,975	41,354	55,091
Intergovernmental	6,430,827	6,785,033	6,133,436	7,769,623	8,682,390
Charges for services	16,709,235	15,894,295	17,116,080	19,850,463	21,448,121
Contributions	28,259	27,152	39,628	118,022	80,594
Reimbursements	15,936,017	17,080,651	16,675,904	17,239,080	17,265,248
Miscellaneous	1,621,218	844,668	829,614	494,126	1,164,169
Total Revenues	<u>139,438,315</u>	<u>145,353,894</u>	<u>150,142,142</u>	<u>161,531,457</u>	<u>171,237,899</u>
Expenditures					
Current:					
General government	67,695,536	48,569,584	50,463,223	56,905,395	62,994,975
Public protection		-	-	37	94
Health and human services	2,909,117	2,949,053	2,879,633	2,995,481	3,442,159
Economic development	2,878,633	3,043,594	2,916,944	3,130,212	3,290,681
Culture, education and recreation	4,706,665	4,930,618	4,072,958	1,960,620	1,753,539
Debt service:					
Principal	159,972	166,891	174,109	181,639	189,495
Interest and fiscal charges	84,331	77,412	70,194	62,664	54,808
Special payments	-	-	250,000	1,093,688	-
Capital outlay	120,166	176,170	374,072	-	1,052,921
Total Expenditures	<u>78,554,420</u> ⁽¹⁾	<u>59,913,322</u>	<u>61,201,133</u>	<u>66,329,736</u>	<u>72,778,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>60,883,895</u>	<u>85,440,572</u>	<u>88,941,009</u>	<u>95,201,721</u>	<u>98,459,227</u>
Other Financing Sources (Uses)					
Issuance of debt	20,080,000	-	-	-	59,000,000
Premium from issuance of debt		-	-	-	7,165,794
Transfers in	13,327,165	11,835,954	11,547,961	8,101,906	8,487,848
Transfers out	<u>(84,705,298)</u>	<u>(93,683,252)</u>	<u>(95,285,740)</u>	<u>(104,661,642)</u>	<u>(104,951,413)</u>
Total Other Financing Sources (Uses)	<u>(51,298,133)</u>	<u>(81,847,298)</u>	<u>(83,737,779)</u>	<u>(96,559,736)</u>	<u>(30,297,771)</u>
Change in fund balance	9,585,762	3,593,274	5,203,230	(1,358,015)	68,161,456
Fund balance at beginning of year	<u>23,321,258</u>	<u>32,907,020</u>	<u>36,500,288</u>	<u>33,927,303</u>	<u>32,569,286</u>
Ending fund balance	<u>\$ 32,907,020</u>	<u>\$ 36,500,294</u>	<u>\$ 41,703,518</u>	<u>\$ 32,569,288</u> ⁽²⁾	<u>\$ 100,730,742</u> ⁽³⁾

(1) In Fiscal Year 2013, general government expenditures appear higher than other years due to issuance of debt and resulting payment to Tri-Met for the Orange Line Light Rail project.

(2) In Fiscal Year 2016, the General Fund ending fund balance decreased due to funding numerous department requests that had been placed on hold during the great recession. In Fiscal Years 2013 to 2015, the General Fund increased ending fund balance through a combination of growing property taxes revenues, while holding expenditures relatively flat.

(3) Fiscal Year 2017 General Fund ending balance includes 2016 general obligation bond unspent proceeds of \$64 million for the Clackamas County Public Safety Radio System Replacement project. The County issued bonds on behalf of C800, an ORS 190 entity operating as a consortium of public safety providers and public safety radio users in Clackamas County. They are governed by a Board and administered by a General Manager. It has its own bylaws, procurement rules, auditor, and accounting functions. Because this entity cannot legally issue GO Bonds, the County agreed to issue the bonds for the project through an intergovernmental agreement. Project expenditures are reimbursed to C800 by the County on a monthly basis, post expenditure. The construction is anticipated to be completed with the system in service by the end of June 2019.

Source: Clackamas County Audited Financial Statements.

Budgetary Process

The County prepares an annual budget in accordance with Oregon Local Budget Law (ORS Chapter 294) which establishes standard procedures for all budget functions for Oregon local governments. Under the applicable provisions, there must be public participation in the budget process and the adopted budget must be balanced.

The County's administrative staff evaluates the budget requests of the various departments of the County to determine the funding levels of the operating programs. The budget is presented to the public through public hearings held by a budget committee consisting of Board members and an equal number of non-elected members. After giving due consideration to the input received from the citizens, the Board of County Commissioners adopts the budget, authorizes the levying of taxes and sets appropriations. The budget must be adopted prior to the start of the Fiscal Year on July 1.

The budget may be amended during the applicable Fiscal Year through the adoption of a supplemental budget. Supplemental budgets may be adopted by the Board pursuant to ORS 294.471.

General Fund Adopted Budget (Fiscal Years)

Resources	2017	2018
Beginning Fund Balance	\$ 24,756,082	\$ 72,411,731
Taxes	116,821,000	121,461,581
Federal Revenue	1,663,284	1,687,380
State Revenue	4,409,722	4,483,075
Local Revenue	352,000	333,565
Licenses	2,090,660	2,147,906
Fees & Fines	17,222,004	16,648,312
Other Revenue:		
Salary Reimbursement	16,860,060	19,156,139
Bond Sale Proceeds	66,165,794	-
Miscellaneous	1,445,605	1,188,472
Interfund Transfers	1,729,210	750,000
Total Resources	<u>\$ 253,515,421</u>	<u>\$ 240,268,161</u>
Requirements		
Personnel Services	\$ 40,576,634	\$ 43,732,935
Materials & Services	7,620,823	7,975,517
Allocated Costs	8,756,845	8,880,022
Capital Outlay	423,390	181,000
Special Payments	18,764,168	27,016,203
Debt Service	244,303	244,303
Interfund Transfers	104,717,527	107,801,177
Reserves	-	36,063,866
Contingency	-	8,373,138
Ending Fund Balance	72,411,731	-
Total Expenditures	<u>\$ 253,515,421</u>	<u>\$ 240,268,161</u>

Source: Clackamas County Adopted Fiscal Year 2018 Budget.

Investments

ORS 294.035 authorizes Oregon political subdivisions to invest in obligations, ranging from U.S. Treasury obligations and Agency securities to municipal obligations, bankers' acceptances, commercial paper,

certificates of deposit, corporate debt and guaranteed investment contracts, all subject to certain size and maturity limitations. No municipality may have investments with maturities in excess of 18 months without adopting a written investment policy which has been reviewed and approved by the Oregon Short Term Fund Board. ORS 294.052 authorizes Oregon political subdivisions to invest proceeds of bonds or certificates of participation and amounts held in a fund or account for such bonds or certificates of participation under investment agreements if the agreements: (i) produce a guaranteed rate of return; (ii) are fully collateralized by direct obligations of, or obligations guaranteed by, the United States; and (iii) require that the collateral be held by the municipality, an agent of the municipality or a third-party safekeeping agent. The County has its own investment policy which is available upon request.

Political subdivisions are also authorized to invest approximately \$48.3 million (adjusted for inflation) in the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. Such investments are managed in accordance with the "prudent person rule" (ORS 293.726) and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements. A listing of investments held by the Oregon Short-Term Fund is available on the Oregon State Treasury website under "Other OSTF Reports - OSTF Detailed Monthly Reports" at [http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx).

Pension System

General. The County participates in a retirement pension benefit program under the State of Oregon Public Employees Retirement System ("PERS" or the "System"). After six full months of employment, all County employees are required to participate in PERS. Employer contribution rates are calculated as a percent of covered payroll. Employees are required to contribute six percent of their annual salary as well; however, employers are allowed to pay the employees' contribution in addition to the required employers' contribution. See "Employer Contribution Rates" herein.

T1/T2 Pension Programs. Employees hired before August 29, 2003 participate in the "Tier 1" or "Tier 2" pension programs (the "T1/T2 Pension Programs"). The benefits provided through the T1/T2 Pension Programs are based primarily on a defined benefit model and provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Different benefit structures apply to participants depending on their date of hire. Effective January 1, 2004, six percent of each employee's salary is contributed to fund individual retirement accounts under a separate defined contribution program known as the Individual Account Program (the "IAP").

OPSRP. Employees hired on or after August 29, 2003 participate in the Oregon Public Service Retirement Plan ("OPSRP") unless membership was previously established in the T1/T2 Pension Programs. OPSRP is a defined benefit pension plan, but also provides access to the IAP.

RHIA/RHIPA. The Oregon PERS Health Insurance Program offers optional medical, dental, and long-term care insurance plans to eligible T1/T2 retirees, their spouses, and dependents. See "Other Postemployment Benefits, Retirement Health Insurance Account" herein.

Actuarial Valuation. Actuarial valuations are performed annually as of December 31 of each year and are designed to measure the liabilities, assets and funded status of the System and for each employer, as well as determine employer contribution rates. The valuations are based on complex models which utilize assumptions on rates of return, payroll growth rates and demographic trends. The valuations as of December 31 of odd-number years are used by the Oregon Public Employees Retirement System Board (the "PERB") to set employer contribution rates, and valuations as of even-numbered years are used for advisory purposes only. Should the assumptions used in the actuarial model prove inaccurate, liabilities of the System may be higher or lower than estimated. Any increases or decreases in liabilities will be absorbed into future contribution rates assessed against employer payrolls. An employer's Unfunded Actuarial Liability ("UAL") is equal to the excess of the actuarially determined present value of the employer's benefit obligations to employees over the existing assets available to pay those benefits. PERS' current actuary is Milliman, Inc. ("Milliman," or the "Actuary").

Actuarial valuations are performed for the entire System (the “System Valuation”), and for each participating employer, including the County (the “County Valuation”). Valuations are released nine to eleven months after the valuation date. Current payroll rates are based on the System Valuation as of December 31, 2015 (the “2015 System Valuation”), and those rates will extend through June 30, 2019. The most recent System Valuation is the System Valuation as of December 31, 2016 (the “2016 System Valuation”), which was released in December 2017 and provides advisory-only rate projections for the 2019-21 biennium. Actual payroll rates for the 2019-21 biennium will be set by the 2017 System Valuation, which is expected to be released in September 2018.

Valuation Date	Release Date	Rates Effective
December 31, 2015	September 2016	July 1, 2017 – June 30, 2019
December 31, 2016	December 2017	Advisory only for July 1, 2019 – June 30, 2021
December 31, 2017	Expected Sept. 2018	July 1, 2019 - June 30, 2021

System Actuarial Organization. An employer participates in PERS either on an independent basis, or through an actuarial pool, as follows:

T1/T2 Pension Programs

- *Independents:* An Independent Employer is one for whom its T1/T2 Pension Programs assets and liabilities are based on an actuarial analysis performed on its employee base. **The County is an independent employer.**
- *School District Pool:* All kindergarten through grade 12 public school district and education service district public employers are pooled for actuarial purposes for the T1/T2 pension programs (the “School District Pool”). Each School District Pool member’s allocated share of the pool’s assets and liabilities is based on the member’s proportionate share of the School District Pool’s pooled payroll, which share may shift in the future due to relative growth in payroll. Further, the School District’s Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions. The County is not a member of the School District Pool.
- *State and Local Government Rate Pool:* For the T1/T2 Pension Programs, all State agencies, certain Oregon local governments and all community college public employers are pooled (the “State and Local Government Rate Pool” or “SLGRP”). Each SLGRP member’s allocated share of the pool’s assets and liabilities is based on the member’s proportionate share of the SLGRP’s pooled payroll which share may shift in the future due to relative growth in payroll. Further, the employers’ Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions. The County is not a member of the SLGRP.

OPSRP

- *OPSRP’s* assets and liabilities are pooled on a program-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The County’s allocated share of OPSRP’s assets and liabilities is based on the County’s proportionate share of OPSRP’s pooled payroll.

Actuarial Assumptions. Significant actuarial assumptions and methods used in the 2015 System Valuation, included (a) the Entry Age Normal method, (b) asset valuation method based on market value, (c) the assumed earnings rate (the “Assumed Rate”) on the investment of present and future assets of 7.50 percent, (d) payroll growth rate of 3.50 percent, (e) consumer price inflation of 2.75 percent per year, (f) UAL amortization method of a level percentage of payroll over 20 years (fixed) for all T1/T2 UALs derived from the 2013 System Valuation and thereafter, and through 2033 for all T1/T2 UALs derived from the 2007, 2009 and 2011 valuations, and 16 years (fixed) from the date of the first rate-setting valuation at which the UAL is recognized for OPSRP, and (g) a rate collar to limit increases or decreases in employer contribution rates from biennium to biennium (the “Rate Collar”) (see “Rate Collar” below).

The 2016 System Valuation utilizes the same actuarial assumptions and methods used in the 2015 System Valuation except it reflects the PERB's decision on July 28, 2017 to lower the Assumed Rate from 7.50 percent to 7.20 percent.

Employer Contribution Rates. Employer contribution rates are calculated as a percent of covered payroll. The rates are based on the current and projected cost of benefits and the anticipated level of funding available from the OPERF, including anticipated investment performance of the fund. Contribution rates are subject to future adjustment based on factors such as the result of subsequent actuarial valuations, litigation, decisions by the PERB and changes in benefits resulting from legislative modifications. Pursuant to ORS 238.225, all participating employers are required to make their contribution to PERS based on the employer contribution rates set by the PERB. Employees are required to contribute six percent of their annual salary to the IAP. Employers are allowed to pay the employees' contribution in addition to the required employers' contribution. The County has elected to make the employee contribution.

Rate Collar. The PERB uses the Rate Collar to limit increases (or decreases) in employer contribution rates from biennium to biennium to smooth the impact of significant increases or decreases from one valuation to the next. The Rate Collar is applied and calculated as follows:

- The Uncollared Rate, which is the theoretical rate which would need to be contributed to fully amortize the UAL over the specified amortization period, is calculated first.
- Should the anticipated increase or decrease necessary to reach the Uncollared Rate be in excess of certain limits, then the Rate Collar is applied. Any excess increase or decrease is deferred to future rate cycles. The Rate Collar is currently in effect; see "2016 Valuation" herein.
- If the funded status of the employer or the pool in which the employer participates is above 70 percent or below 130 percent (the "Base Case Rate Collar"), the Rate Collar is the greater of three percent of payroll (the "3% parameter") or 20 percent of the current base rate (the "20% parameter").
- If the funded status of an employer or the pool in which the employer participates is below 70 percent or above 130 percent, the Rate Collar increases by 0.3 percent of payroll if under the 3% parameter, or two percent of the current base rate if under the 20 percent parameter, for every percentage point under the 70 percent (or above 130 percent) funded level (the "Collar Ramp") until it reaches six percent of payroll, or 40 percent of the current rate base at the 60 percent (or above 140 percent) funded level (the "Double Rate Collar").

According to the 2016 County Valuation the funded status for the County was (70%). Should this continue to be the case with the 2017 County Valuation, the Rate Collar will widen beyond the Base Case Rate Collar. However, as of November 30, 2017, the rate of return for the OPERF was 14.34%, which may result in the funded status as of the 2017 County Valuation increasing.

System Funded Status & UAL. The table below includes the UAL and funded status for the System and the County from the five most recent actuarial valuations.

System Unfunded Actuarial Liability and Funded Status⁽¹⁾
(\$ in millions)

Valuation Date	System		Clackamas County	
	UAL	Funded Status	UAL	Funded Status
12/31/16 ⁽²⁾	\$ 25,300.1	68.8%	\$ 277.2	70.0%
12/31/15 ⁽³⁾	21,830.8	71.3%	238.5	73.0%
12/31/14 ⁽⁴⁾	17,940.7	75.6%	185.8	78.0%
12/31/13	8,503.5	86.4%	72.9	90.0%
12/31/12	11,139.3	81.6%	100.1	86.0%

- (1) Does not take into account offsets for deposits made by individual employers from bond proceeds or cash on hand in side accounts (see “Side Accounts and Pension Bonds” herein).
- (2) Increase in UAL and decline in funded status largely attributable to decrease in Assumed Rate (see “Actuarial Assumptions” above).
- (3) Increase in UAL and decline in funded status largely attributable to investment returns of two percent during 2015, substantially less than the 7.5 percent Assumed Rate for that period.
- (4) Increase in UAL and decline in funded status largely attributable to the Supreme Court reversing most of the legislative cost saving changes made during the 2013 Legislative session.

Source: System and County Valuations.

Side Accounts and Pension Bonds. Some jurisdictions issued pension bonds and/or used other cash resources to make lump sum payments to PERS. For most jurisdictions, these lump sum payments were deposited into a “side account” (the “Side Accounts”) that is amortized over a fixed period and used to reduce the contribution rates of the jurisdiction that made the deposit. Jurisdictions that issued pension bonds in order to make a lump sum deposit also have debt service due on their bonds. The County did not make a lump sum deposit to PERS.

Net Unfunded Actuarial Liability. The County’s net unfunded pension UAL is the total of the County Allocated T1/T2 UAL and County Allocated OPSRP UAL, less the balance in any Side Account. The County’s net unfunded pension UAL as reported in the County’s actuarial valuation report as of December 31, 2015 (the “2015 County Valuation”) and as reported in the County’s actuarial valuation report as of December 31, 2016 (the “2016 County Valuation”) is shown in the following table.

Clackamas County Net Unfunded Pension Liability

	2015 Valuation	2016 Valuation
Allocated pooled T1/T2 UAL	\$ 238,466,122	\$ 277,203,993
Allocated pooled OPSRP UAL	19,936,832	24,804,095
County Side Account	-	-
Net unfunded pension actuarial accrued liability	<u>\$ 258,402,954</u>	<u>\$ 302,008,088</u>

Source: 2015 and 2016 County Valuations.

County Contribution Rates. The County’s contribution rates for the 2017-19 biennium under the 2015 County valuation, and advisory rates for the 2019-21 biennium under the 2016 County Valuation are provided in the following table. The actual rates for the 2019-21 biennium will be set by the 2017 County Valuation, which is expected to be released in September 2018. The projected rate increases in the 2016 County Valuation are limited by the Rate Collar to 4.26% for the County. Without the Rate Collar, rates would be projected to increase by 9.56% for the County.

**Clackamas County
Pension Contribution Rates (Percent of Covered Payroll)**

	<u>2017-19 Biennium</u>			<u>2019-21 Biennium</u>		
		OPSRP	OPSRP		OPSRP	OPSRP
	T1/T2	General	P&F	T1/T2	General	P&F
Normal cost rate	16.20	8.02	12.79	16.41	8.49	13.22
T1/T2 UAL rate	5.10	5.10	5.10	9.15	9.15	9.15
OPSRP UAL rate	1.27	1.27	1.27	1.56	1.56	1.56
Side account rate relief	-	-	-	-	-	-
Retiree Healthcare rate (RHIA) ⁽¹⁾	0.50	0.43	0.43	0.49	0.42	0.42
Total net contribution rate (%)	23.07	14.82	19.59	27.61	19.62	24.35

(1) Contribution rates to fund RHIA benefits are included in the total County employer contribution rate, but are not a pension cost. See "Other Postemployment Benefits - Retirement Health Insurance Account" below.

Source: 2015, and 2016 County Valuations.

County Contributions. The County's historical and projected annual contributions to PERS are provided in the following table.

Clackamas County Pension Expenses

Fiscal Year	County Contribution to PERS⁽¹⁾
2018 ⁽²⁾	\$ 25,000,000
2017 ⁽³⁾	23,544,155
2016	22,079,676
2015	17,785,735
2014	17,877,497
2013	17,959,947
2012	17,073,417

(1) County's contribution to PERS which does not include the employee contribution paid by the County.

(2) Projected.

(3) Estimated.

Source: Clackamas County and County Audited Financial Statements.

Actuarial Projections. At the December 2, 2017 PERB meeting, the Actuary presented financial modeling of the System for the next 20 years. Among the conclusions of the financial modelling were the following points:

- **Steady return rates:** under the assumption of a consistent level of returns through 2037 (taking into account 2017 returns of 11.05% through September 2017), even with a consistent return of 9%, System average rates will increase for the next two biennia before beginning to decline. At the assumed rate of 7.2%, System average rates increase by approximately 5% in each of the next two biennia before slowly declining. Under that scenario, System rates do not decline below 25% until 2035.
- **Variable Return rates:** the Actuary also provided stochastic modelling that showed a similar pattern: at the 50th percentile, rates climb from today's 20.8% to a high of 31.6% in 2023-25, then decline slowly to 29.4% in 2033-35, before dropping to 23% in 2035-37. In the 5th percentile, rates could climb as high as 56%; in the 95th percentile, rates decline to 0% in 2029.
- **UAL** - in the Steady Return scenario, with a 7.2% consistent return, the UAL grows slightly before declining and would be fully amortized by 2034. In the Variable Return Scenario, at the 50th percentile, the UAL declines to \$23.5 billion at the end of 2017, but grows to \$26.4 billion by the end of 2021, then declines to \$1.6 billion by the end of 2035. In the Actuary's model, the 50th percentile return is somewhat below 7.20%.

The County cannot predict whether its payroll rates or UAL will increase by as much, more or less than what has been projected by the Actuary. However, the County does not believe it will have an impact on its ability to repay the Obligations.

GASB 67 and GASB 68. GASB Statements No. 67 and No. 68 modify the accounting and financial reporting of pensions by state and local governments and pension plans. Statement No. 67 (“GASB 67”), Financial Reporting for Pension Plans, addresses financial reporting for state and local government pension plans. Statement No. 68 (“GASB 68”), Accounting and Financial Reporting for Pensions, establishes accounting and financial reporting requirements for governments that provide their employees with pensions. The PERS System is subject to GASB 67; each participating employer, including the County, is subject to GASB 68. GASB 68 was incorporated in the County’s financial statements beginning in Fiscal Year 2015. PERS contracted with Milliman to provide information for local governments to use in their financial statements.

Under GASB 68, for Fiscal Year 2016, the County reported a net pension liability of \$111,252,106 and a pension expense of \$108,969,780. In Fiscal Year 2017 the County’s net pension liability increased to \$265,715,283 due to System-wide increases in UAL related to investment returns of two percent during 2015. An employer’s proportionate share of the liability will also change if the employer’s payroll grows more or less than the System. The County reported a pension expense of \$47,583,108 in Fiscal Year 2017. The expense in Fiscal Year 2016 was significantly larger than that for Fiscal Year 2017 due to the reversal by the Oregon Supreme Court of legislation approved by the 2013 Legislative Session. See Appendix B “Financial Statements” for more information regarding the County and GASB 68.

Other Postemployment Benefits

Retirement Health Insurance Account. PERS retirees who receive benefits through the Tier 1 and Tier 2 plans and are enrolled in certain PERS administered health insurance programs, may receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premium under the RHIA plan. The RHIA program’s assets and liabilities are pooled on a system-wide basis and are not tracked or calculated on an employer basis. According to the 2016 System Valuation, this program had a surplus of approximately \$1.3 million. The County’s allocated share of the RHIA program’s assets and liabilities is based on the County’s proportionate share of the program’s pooled payroll. According to the 2016 County Valuation, the County’s allocated share of the RHIA program’s surplus was \$19,617.

Medical Benefits - Implicit Subsidy. Under ORS 243.303 the County is required to offer the same healthcare benefits for current County employees to all retirees and their dependents until such time as the retirees are eligible for Medicare. GASB Statement No. 45 refers to this as an “implicit subsidy” and requires that the corresponding liability be determined and reported.

The County’s annual other post employment benefit (“OPEB”) cost is calculated based on the annual required contribution (the “ARC”), an amount actuarially determined in accordance with the parameters of GASB 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 of 30 years. The following table details the County’s ARC and Net OPEB Obligation.

Annual Required Contribution

	2013	2014	2015	2016	2017
Annual required contribution	\$ 3,723,304	\$ 3,878,538	\$ 4,806,317	\$ 4,837,936	\$ 6,075,523
Interest on prior net OPEB obligation	851,438	902,747	1,046,118	1,020,196	1,114,413
Adjustment to annual required contribution	<u>(1,215,929)</u>	<u>(1,305,149)</u>	<u>(1,464,533)</u>	<u>(1,440,474)</u>	<u>(1,585,152)</u>
Annual OPEB cost	3,358,813	3,476,136	4,387,902	4,417,658	5,604,784
Contributions made	<u>2,076,089</u>	<u>1,537,267</u>	<u>4,574,990</u>	<u>1,764,588</u>	<u>2,321,483</u>
Decrease in net OPEB obligation	1,282,724	1,938,869	(187,088)	2,653,070	3,283,301
Net OPEB obligation - beginning of Fiscal Year	<u>21,285,957</u>	<u>22,568,680</u>	<u>24,507,549</u>	<u>24,320,461</u>	<u>26,973,531</u>
Net OPEB obligation - end of Fiscal Year	\$ 22,568,681	\$ 24,507,549	\$ 24,320,461	\$ 26,973,531	\$ 30,256,832
% of Annual OPEB Cost Contributed	62%	44%	104%	40%	41%

Source: Clackamas County Audited Financial Statements.

The County obtains an updated actuarial valuation of the plan every two years. The following table presents the unfunded actuarial accrued liability from the actuarial valuations completed since the adoption of GASB 45.

Unfunded Actuarial Accrued Liability

Actuarial Valuation Date July 1,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL) (Asset)	Percent Funded	Covered Payroll	UALL as a Percentage of Covered Payroll
2016	\$ 3,385,149	\$ 49,723,123	\$ 46,337,974	7%	\$ 131,808,221	35%
2014	-	39,774,132	39,774,132	0%	114,379,887	35%
2012	-	33,444,999	33,444,999	0%	113,503,413	30%
2010	-	50,075,769	50,075,769	0%	112,936,313	44%

Source: Clackamas County Audited Financial Statements.

See Note 15 "Other Postemployment Benefits (OPEB)" of the County's audited financial statements for Fiscal Year 2017 for more information on the County's liability under GASB 45.

Risk Management

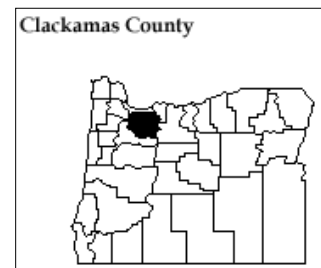
The County is exposed to various risks of loss. A description of the risks is provided in the County's audited financial statements. The audited financial statement for Fiscal Year 2017 is attached hereto as Appendix B.

Demographic Information

General

Located in northwestern Oregon, the County encompasses 1,879 square miles and includes the Mt. Hood National Forest and the Bull Run Watershed. Lake Oswego and Oregon City are the largest incorporated cities in the County.

The County is part of the Portland-Vancouver-Hillsboro Primary Metropolitan Statistical Area (hereinafter, the "Portland PMSA") which includes Multnomah, Washington, Clackamas, Columbia and Yamhill counties in Oregon, and Clark and Skamania counties in Washington.



Historical data have been collected from generally accepted standard sources, usually from public bodies. This statement bases information on the Portland PMSA, the County and the cities of Lake Oswego and Oregon City.

Population

The following table shows the historical population for the State, the County and the Cities of Lake Oswego and Oregon City:

Population				
July 1 ⁽¹⁾	State of Oregon	Clackamas County	City of Lake Oswego	City of Oregon City
2017	4,141,100	413,000	37,490	34,610
2016	4,076,350	404,980	37,425	34,240
2015	4,013,845	397,385	37,300	33,940
2014	3,962,710	391,525	37,105	33,760
2013	3,919,020	386,080	36,990	33,390
2012	3,883,735	381,680	36,770	32,500
2011	3,857,625	378,480	36,725	32,220
April 1 ⁽²⁾				
2010	3,831,074	375,992	36,619	31,859
2000	3,421,399	338,391	35,278	25,754
1990	2,842,321	278,850	30,576	14,698

(1) Source: Center for Population Research and Census, Portland State University.

(2) Source: U.S. Census Count on April 1.

Economic Overview

Over the past two decades, the County has developed an economic base, which includes metals fabrication, machinery, high technology firms, and retail trade and distribution as well as participation in the Portland-metropolitan area economy. In addition, the County contains prime agricultural land. Large employers in the County include the County, Kaiser Sunnyside Hospital, the North Clackamas School District, Clackamas Community College, PCC Structural Inc., Tigard-Tualatin School District, Oregon Cutting Systems, and Providence Health.

Currently, transportation and utilities accounts for 21.4 percent of the total non-farm employment in the County, while education and health services accounts for 14.3 percent, professional and business services 13.3 percent, manufacturing 11.4 percent, government jobs 10.9 percent, and leisure and hospitality 10.2 percent.

Income. Historical personal income and per capita income levels for the County and the State are shown below:

Clackamas County and State of Oregon Total Personal and Per Capita Income

Year	Clackamas County				State of Oregon			
	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent
2017 ⁽¹⁾	N/A	N/A	N/A	N/A	\$ 190,993,137	\$ 37,889,545	\$ 45,977	\$ 9,121
2016	\$ 20,965,832	\$ 4,276,382	\$ 51,379	\$ 10,480	185,839,645	36,782,728	45,399	8,986
2015	20,125,378	4,209,188	50,169	10,493	178,432,319	36,120,266	44,335	8,975
2014	18,748,588	3,897,373	47,550	9,885	165,816,558	33,237,250	41,785	8,376
2013	17,863,812	3,503,146	46,041	9,029	155,147,986	30,515,672	39,521	7,773
2012	17,811,472	3,635,865	46,464	9,485	152,489,633	30,281,325	39,109	7,766

Note: Dollar estimates are in current dollars (not adjusted for inflation).

(1) As of second quarter, preliminary subject to change.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, November 16, 2017.

Employment. Non-farm employment within the County is described in the following tables:

**Clackamas County
Labor Force Summary ⁽¹⁾
(by place of residence)**

	2012	2013	2014	2015	2016	2017 ⁽²⁾	2017 Change from				
							2012	2013	2014	2015	2016
Civilian Labor Force	199,576	196,704	200,943	204,481	213,012	221,798	22,222	25,094	20,855	17,317	8,786
Unemployment	15,752	13,526	12,396	10,651	9,461	8,696	-7,056	-4,830	-3,700	-1,955	-765
Percent of Labor Force	7.9%	6.9%	6.2%	5.2%	4.4%	3.9%	xx	xx	xx	xx	xx
Total Employment	183,824	183,178	188,547	193,830	203,551	213,102	29,278	29,924	24,555	19,272	9,551

Non-Agricultural Wage & Salary Employment ⁽³⁾

	2012	2013	2014	2015	2016	2017 ⁽²⁾	2017 Change from				
							2012	2013	2014	2015	2016
Total nonfarm employment	137,700	139,400	143,300	149,200	155,200	159,100	21,400	19,700	15,800	9,900	3,900
Total Private	121,000	123,200	127,000	132,200	137,700	141,800	20,800	18,600	14,800	9,600	4,100
Natural resources and mining	200	200	200	200	200	200	0	0	0	0	0
Construction	8,700	8,900	9,700	10,200	11,400	12,400	3,700	3,500	2,700	2,200	1,000
Manufacturing	16,500	17,000	17,200	17,300	17,400	18,100	1,600	1,100	900	800	700
Trade, transportation, and utilities	31,400	32,000	32,800	33,800	34,100	34,000	2,600	2,000	1,200	200	-100
Information	2,000	2,000	1,700	2,100	2,100	2,000	0	0	300	-100	-100
Financial activities	8,600	8,600	8,700	9,300	8,900	8,900	300	300	200	-400	0
Professional and business services	15,800	16,100	16,800	17,500	19,700	21,100	5,300	5,000	4,300	3,600	1,400
Educational and health services	19,000	19,400	20,100	21,000	22,200	22,700	3,700	3,300	2,600	1,700	500
Leisure and hospitality	13,500	13,700	14,300	15,100	15,800	16,200	2,700	2,500	1,900	1,100	400
Other services	5,400	5,400	5,600	5,700	6,000	6,200	800	800	600	500	200
Government	16,800	16,200	16,300	17,100	17,500	17,300	500	1,100	1,000	200	-200

- (1) Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Data are adjusted for multiple job-holding and commuting.
- (2) Data for month of September 2017; preliminary and subject to change.
- (3) Nonfarm payroll data are based on the 1987 Standard Industrial Classification manual. The data are by place of work. Persons working multiple jobs are counted more than once. The data excludes the self-employed, volunteers, unpaid family workers, and domestics.

Source: State of Oregon Employment Department, November 2017.

Major Employers in the County

Company	Service	Location	No. Employees
State Government	Government	County-wide	2,800
Clackamas County	Government	County-wide	2,000
Kaiser Sunnyside	Health services	Clackamas	2,000
North Clackamas School District	Education	Clackamas	1,857
Clackamas Community College	Education	Oregon City	1,620
PCC Structural Inc.	Aircraft parts and equipment	Milwaukie	1,400
Tigard-Tualatin School District	Education	Tualatin	1,400
Oregon Cutting Systems (Blount Inc.)	Lawn/Garden Equipment Manufacturing	Milwaukie	1,200
Providence	Hospital/Medical offices	County-wide	1,176
U.S. Government	Government	County-wide	1,100
Legacy Meridian Park Hospital	Healthcare	Tualatin	900
Mentor Graphics	CAD Software Systems	Wilsonville	900
Oregon City School District	Education	Oregon City	850
West Linn-Wilsonville School District	Education	West Linn	820
Lake Oswego Public Schools	Education	Lake Oswego	800
Xerox Corporation	Technology Services	Wilsonville	800
Kroger (Fred Meyer)	Retail and Distribution Center	County-wide	800
Mattei Insurance Services Inc.	Finance and Insurance	Portland	715
Safeway	Grocery & Bakery	County-wide	700
Cash & Carry Stores LLC	Grocery/Retail/Warehouse	Milwaukie	650
Canby School District	Education	Canby	600
AFA Forest Products Inc.	Forest Products	Lake Oswego	600
Precision Interconnect, LLC	Electronic component manufacturing	Wilsonville	566
Oregon Trail School District	Education	Sandy	500
Rockwell Collins	Aerospace and Electronics	Wilsonville	500
Apollo Sheet Metal Inc.	Plumbing & HVAC Contractors	Wilsonville	472
Sysco Foods Services of Portland	Food products	Wilsonville	450
Estacada School District	Education	Estacada	450
Biotronik Inc.	Medical and hospital equipment	Lake Oswego	425
Oeco LLC	Manufactures magnetic cores	Milwaukie	425
Willamette View Inc.	Retirement community	Milwaukie	380
Precision Castparts Corp	Manufacturing	Portland	366
City of Lake Oswego	Government	Lake Oswego	357
Molalla River School District 35	Education	Molalla	350
H. G. Schlicker & Associates, Inc.	Environmental Consulting Services	Oregon City	344
Timberline Lodge	Resort/Hotel	Government Camp	320
Dave's Killer Bread (Nature Bake)	Bakery	Milwaukie	300
Avamere	Health services	County-wide	300
Sanders Wood Products (RSG Forest Products)	Lumber & Plywood Product Manufacturing	Molalla	300
Kiewit Infrastructure Co.	Construction - Bridge, tunnel, highway	Clackamas	300
Holiday Retirement Home	Nursing home	Lake Oswego	300

Note: Total number of employees may include full, part-time, temporary and seasonal employment.

Source: Hoover's, Inc., November 2017; Portland Business Journal "Largest Employers of Portland Metro" list, published July 14, 2017; Oregon Employment Department, data for September 2017; Clackamas Community College FY 2017 CAFR.

Building Permits. Residential building permits are an indicator of growth within a region. The number and valuation of new single-family and multi-family residential building permits in the County are listed below:

**Clackamas County
Residential Building Permits**

Year	<u>New Single Family</u>		<u>New Multi Family</u>			<u>Total</u>
	Number	Construction Cost	Number	Units	Construction Cost	Construction Cost
2017 ⁽¹⁾	963	\$ 317,045,012	26	387	\$ 47,739,103	\$ 364,784,115
2016	1,368	404,959,931	65	1,082	120,599,743	525,559,674
2015	1,607	465,615,045	31	224	29,014,675	494,629,720
2014	1,278	369,144,897	44	202	31,077,223	400,222,120
2013	1,344	374,728,694	24	159	14,279,185	389,007,879
2012	1,142	300,547,825	29	439	38,059,439	338,607,264

(1) As of September.

Source: U.S. Census Bureau, November 2017.

Transportation. The County is served by Interstate 5 and Interstate 205. Bus service to most of the County is provided by Tri-Met, the Portland Metropolitan Area’s transportation authority. In addition, some cities in the County operate their own bus systems. Greyhound also provides services to the area. Southern Pacific Railroad supplies freight service to the County.

Commercial air transportation is available at Portland International Airport (“PDX”). PDX, operated by the Port of Portland (the “Port”), is served by 17 scheduled passenger air carriers and three charter services. Fourteen cargo carriers service PDX. The Port also operates three general aviation airports in Troutdale, Hillsboro and Mulino. The Hillsboro Airport is the State’s second busiest general aviation site and maintains the largest corporate jet fleet in the state.

Healthcare. Kaiser Permanente maintains Kaiser Sunnyside Medical Center, which includes medical and dental facilities, and a medical and surgical hospital. Willamette Falls Hospital, located in Oregon City, has 143 licensed beds. Providence Milwaukie Hospital is a 77-bed community-centered hospital. The hospital features emergency room, intensive care, occupational health and wellness services and private birthing rooms.

Higher Education. Institutions of higher learning in the area include independent institutions such as Reed College, Lewis and Clark College, Pacific University, OIT, Marylhurst, Concordia and church-affiliated institutions such as the University of Portland, Warner Pacific College, and Columbia Pacific College. Portland State University, which is part of the Oregon University System of Higher Education, and the Oregon Health and Science University are located in the area. Portland Community College, Mt. Hood Community College, and Clackamas Community College are part of the State’s community college system.

The Initiative and Referendum Process

Article IV, Section 1 of the Oregon Constitution reserves to the people of the State the initiative power to amend the State Constitution or to enact legislation by placing measures on the statewide general election ballot for consideration by the voters. Oregon law therefore permits any registered Oregon voter to file a proposed initiative with the Oregon Secretary of State’s office without payment of fees or other burdensome requirements. Consequently, a large number of initiative measures are submitted to the Oregon Secretary of State’s office, and a much smaller number of petitions obtain sufficient signatures to be placed on the ballot.

Because many proposed statewide initiative measures are submitted to the Oregon Secretary of State’s office that do not qualify for the ballot, the County does not formally or systematically monitor the impact of those measures or estimate their financial effect prior to the time the measures qualify for the ballot. The County also does not formally or systematically monitor efforts to qualify measures for the ballot that would initiate new provisions for, or amend, the County’s charter and ordinances. Consequently, the County does not ordinarily disclose information about proposed initiative measures that have not qualified for the ballot.

Pursuant to ORS 250.125, a five-member Committee composed of the Secretary of State, the State Treasurer, the Director of the Department of Revenue, the Director of the Department of Administrative Services, and a local government representative must prepare an estimate of the direct financial impact of each measure ("Financial Estimate Statements") to be printed in the voters' pamphlet and on the ballot.

Referendum

"Referendum" generally means measures that have been passed by a legislative body, such as the Legislative Assembly or the governing body of a district, county or other political subdivision and referred to the electors by the legislative body, or by petition prior to the measure's effective date.

In Oregon, both houses of the Legislative Assembly must vote to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. Any change to the Oregon Constitution passed by the Legislative Assembly requires referral to voters. In the case of a referendum by petition, proponents of the referendum must obtain a specified number of signatures from qualified voters. The required number of signatures is equal to four percent of the votes cast for all candidates for governor at the preceding gubernatorial election.

Although there is no direct financial effect on local government revenues, there may be an indeterminate effect on local government expenditures related to increases in associated insurance assessments. There is likely to be an indirect and indeterminate effect on the state economy and local government revenues and expenditures. The County cannot predict the outcome of the election, nor whether a failure of the measure to pass would have a financial impact on the County's operations. The County does not anticipate that failure of the Measure would have a material impact on the County's ability to repay the Obligations.

Initiative Process

To place a proposed statewide initiative on a general election ballot, the proponents must submit to the Secretary of State initiative petitions signed by the number of qualified voters equal to a specified percentage of the total number of votes cast for all candidates for governor at the gubernatorial election at which a governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. Any elector may sign an initiative petition for any measure on which the elector is entitled to vote. Statewide initiatives may only be filed for general elections in even-numbered years.

A statewide initiative petition must be submitted to the Secretary of State not less than four months prior to the general election at which the proposed measure is to be voted upon. As a practical matter, proponents of an initiative have approximately two years in which to gather the necessary number of signatures. State law permits persons circulating initiative petitions to pay money to persons obtaining signatures for the petition. Once an initiative measure has gathered a sufficient number of signatures and qualified for placement on the ballot, the State is required to prepare a formal estimate of the measure's financial impact. Typically, this estimate is limited to an evaluation of the direct dollar impact.

Historical Initiative Petitions. Historically, a larger number of initiative measures have qualified for the ballot than have been approved by the electors. According to the Elections Division of the Secretary of State, the total number of initiative petitions that qualified for the ballot and the numbers that passed in recent general elections are as follows:

Recent Initiative Petitions

Number of Year of General Election	Number of Initiatives that Qualified	Initiatives that were Approved
2008	8	0
2010	4	2
2012	7	2
2014	4	2
2016	4	3

Source: Elections Division, Oregon Secretary of State, Initiative, Referendum and Referral Log, Elections Division.

Legal Matters and Litigation

Legal Matters

Legal matters incident to the authorization, issuance and sale of Obligations are subject to the approving legal opinion of Special Counsel, substantially in the form attached hereto as Appendix A. Special Counsel has reviewed this document only to confirm that the portions of it describing the Obligations and the authority to issue them conform to the Obligations and the applicable laws under which they are issued.

Litigation

There is no litigation pending questioning the validity of the Obligations nor the power and authority of the County to issue the Obligations. There is no litigation pending which would materially affect the finances of the County or affect the County’s ability to meet debt service requirements on the Obligations.

Under the Oregon law local public bodies, such as the County, are subject to the following limits on liability. The State of Oregon is subject to different limits.

Personal Injury and Death Claim. The liability of a local public body and its officers, employees and agents acting within the scope of their employment or duties, to any *single claimant* for covered personal injury or death claims (and not property claims) arising out of a single accident or occurrence may not exceed \$706,000, for causes of action arising on or after July 1, 2017, and before July 1, 2018. The liability limits to *all claimants* for covered personal injury or death claims (and not property claims) arising from a single accident or occurrence may not exceed \$1.412 million, for causes of action arising on or after July 1, 2017, and before July 1, 2018.

Property Damage or Destruction Claim. The liability limits of a public body and its officers, employees and agents acting within the scope of their employment or duties, for covered claims for damage and destruction of property that arise from causes of action arising on or after July 1, 2017: (a) \$115,1800, adjusted as described below, to any single claimant, and (b) \$579,000, adjusted as described below, to all claimants.

For causes of action arising on or after July 1, 2017, the liability limits for both a single claimant and all claimants will be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the statutory formula. The adjustment may not exceed three percent for any year.

Tax Matters

Opinion of Special Counsel

In the opinion of Hawkins Delafield & Wood LLP, Special Counsel to the County, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) the portion of the payments made under the Financing Agreement designated and constituting interest (“Interest”) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) Interest is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. In rendering its opinion, Special Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the County in connection with the Obligations, and Special Counsel has assumed compliance by the County with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of Interest from gross income under Section 103 of the Code.

In addition, in the opinion of Special Counsel to the County, under existing statutes, Interest is exempt from State of Oregon personal income tax.

Special Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the Obligations. Special Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Special Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of Interest, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Obligations in order that Interest be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Obligations, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause Interest to become included in gross income for federal income tax purposes retroactive to the issue date of the Obligations, irrespective of the date on which such noncompliance occurs or is discovered. The County has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of Interest from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Obligations. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of an Obligation. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Obligations.

Prospective owners of the Obligations should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of an Obligation (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (an obligation with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Obligations. In general, the issue price for each maturity of Obligations is expected to be the initial public offering price set forth on the inside cover page of the Official Statement. Special Counsel further is of the opinion that, for any Obligations having OID (a “Discount Obligation”), OID that has accrued and is properly allocable to the owners of the Discount Obligations under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other Interest.

In general, under Section 1288 of the Code, OID on a Discount Obligation accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Obligation. An owner’s adjusted basis in a Discount Obligation is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Obligation. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Obligation even though there will not be a corresponding cash payment.

Owners of Discount Obligations should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Obligations.

Bond Premium

In general, if an owner acquires an Obligation for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Obligation after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Obligation (a “Premium Obligation”). In general, under Section 171 of the Code, an owner of a Premium Obligation must amortize the bond premium over the remaining term of the Premium Obligation, based on the owner’s yield over the remaining term of the Premium Obligation determined based on constant yield principles (in certain cases involving a Premium Obligation callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Obligation must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Obligation, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Obligation may realize a taxable gain upon disposition of the Premium Obligation even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Obligations should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Obligations.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Obligations. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing an Obligation through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the Interest from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of Interest under federal or state law or otherwise prevent beneficial owners of the Obligations from realizing the full current benefit of the tax status of such Interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Obligations.

Prospective purchasers of the Obligations should consult their own tax advisors regarding the foregoing matters.

Continuing Disclosure

The Securities and Exchange Commission Rule 15c2-12 (the "Rule") requires at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Obligations. Pursuant to the Rule, the County has agreed to provide audited financial information and certain financial information or operating data at least annually, and timely notice of certain events (collectively, "Continuing Disclosure") to the MSRB through its EMMA system (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes).

Prior Undertakings. During the last five fiscal years, the County was obligated to provide Continuing Disclosure filings for its Limited Tax Assessment Bonds, Series 2000; Full Faith and Credit Obligations, Series 2003; Full Faith and Credit Obligations, Series 2003B; Full Faith and Credit Obligations, Series 2004; Full Faith and Credit Obligations, Series 2007; Full Faith and Credit Obligations, Series 2009; Full Faith and Credit Obligations, Series 2012; General Obligation Bonds, Series 2017A; and General Obligation Bonds, Series 2017B (collectively the "Outstanding Debt"). The County is also required to provide annual financial data for the Housing Authority of Clackamas County, Multifamily Housing Revenue Bonds, Series 2013A. The County's undertakings for its Limited Tax Assessment Bonds, Series 2000, which have been defeased, required its annual financial information filing by March 1. The County's other undertakings require its annual financial information filing within nine months of the end of the Fiscal Year.

Failure to File - Annual Financial Information/Operating Data. Each of the County's undertakings has a different list of financial information which the County agreed to update annually. Certain annual financial information was not included in the audited financial statements for Fiscal Years 2012 through and including 2016 and was subsequently filed by the County on September 29, 2016, October 5, 2016, November 8, 2016 and December 20, 2017.

The County was not in compliance with filing of annual operating data for some of its outstanding debt which terminated within the past five years. Since these issues are no longer outstanding, no corrective action has been or will be taken.

A copy of the form of the County's Continuing Disclosure Certificate for the Obligations is attached hereto as Appendix D.

Municipal Advisor

In connection with the authorization and issuance of the Obligations, the County has retained Piper Jaffray & Co., Portland, Oregon, as its Municipal Advisor (the "Municipal Advisor").

The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement.

Preliminary Official Statement

The County has executed a “deemed final” letter that deemed final the Preliminary Official Statement pursuant to Securities and Exchange Commission Rule 15c2-12 (except for the omission of the following information: offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, credit enhancement, if any, ratings, insurance, and other terms of the securities depending on such matters). The County has also represented to the Municipal Advisor that the information in this Preliminary Official Statement, except for matters relating to DTC and its book-entry system, the Escrow Agent, the information under the heading “Municipal Advisor” and the statement regarding the Municipal Advisor in the second italicized paragraph on page ii, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Ratings

As noted on the cover page of this Official Statement, Moody’s Investors Service has assigned its underlying rating of “Aaa” to the Obligations. There is no assurance that the rating will be retained for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the ratings will be likely to have an adverse effect on the market price of the Obligations.

Purchaser of the Obligations

The Obligations are being purchased by _____ and they will receive compensation of \$_____. The purchaser of the Obligations may offer and sell the Obligations to certain dealers (including dealers depositing the Obligations into investment trusts) and others at prices lower than the initial offering prices corresponding to the yields set forth on page i of this Official Statement, and such initial offering prices may be changed from time to time by such purchaser. After the initial public offering, the public offering prices may be varied from time to time.

In connection with the offering of the Obligations, the purchaser of the Bonds may overallocate or effect transactions which stabilize or maintain the market price of the Obligations at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued or recommenced at any time.

Certificate with Respect to Official Statement

At the time of the original delivery of and payment for the Obligations, the County will deliver a certificate of its authorized representative to the effect that he has examined this Official Statement and the financial and other data concerning the County contained herein and that to the best of his knowledge and belief, (i) the Official Statement, both as of its date and as of the date of delivery of the Obligations, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of the Official Statement and the date of delivery of the Obligations there has been no material adverse change in the affairs (financial or other), financial condition or results of operations of the County except as set forth in or contemplated by the Official Statement.

Appendix A

Form of Special Counsel Opinion

On the date of issuance of the Obligations, Hawkins Delafield & Wood LLP, Special Counsel, proposes to issue its opinion in substantially the following form:

_____, 2018

Clackamas County
2051 Kaen Road
Oregon City, OR 97045

Subject: \$_____ Clackamas County, Oregon, Full Faith and Credit Refunding Obligations, Series 2018

Ladies and Gentlemen:

We have acted as special counsel in connection with the execution and delivery of a Financing Agreement (the "Financing Agreement") between Clackamas County, Oregon (the "County"), and U.S. Bank National Association (the "Escrow Agent") in the aggregate principal amount of \$_____. The County has also entered into an Escrow Agreement (the "Escrow Agreement") with the Escrow Agent in which the County has instructed the Escrow Agent to issue Full Faith and Credit Refunding Obligations, Series 2018 (the "Obligations") representing proportionate interests in the financing payments (the "Financing Payments") to be made by the County under the Financing Agreement. The Financing Agreement is authorized by Oregon Revised Statutes Sections 271.390, 287A.105, 287A.315, 287A.360 to 287A.375 and other applicable provisions of ORS 287A, and County Order No. _____ adopted November 22, 2017 (the "Order").

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering materials which have been or may be supplied to the purchasers of the Obligations, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the official statement.

Regarding questions of fact material to our opinion, we have relied on representations of the County in the Order and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Financing Agreement and the Escrow Agreement have been legally authorized, executed and delivered by the County under and pursuant to the Constitution and Statutes of the State of Oregon and the Order. The Financing Agreement and the Escrow Agreement constitute valid and legally binding obligations of the County that are enforceable in accordance with their terms.

2. The obligation of the County to make Financing Payments shall be unconditional, and the County shall pay the Financing Payments from any and all of its legally available funds. Pursuant to ORS 287A.315, the County has pledged its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the Financing Payments and other amounts due under this Financing Agreement

3. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) the portion of the Financing Payments designated as and constituting interest received by the holders of the Obligations ("Interest") is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) Interest is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. [Special counsel further is of the opinion that, for any Obligations having original issue discount (a "Discount

Obligation”), original issue discount that has accrued and is properly allocable to the owners of the Discount Obligations under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other Interest.] In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the County, and others in connection with the Obligations, and we have assumed compliance by the County with certain ongoing covenants that it will comply with applicable requirements of the Code to assure the exclusion of Interest from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Obligations in order that, for federal income tax purposes, Interest not be included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Obligations, restrictions on the investment of proceeds of the Obligations prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause Interest to become subject to federal income taxation retroactive to the date of issue of the Obligations, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the Obligations, the County will execute a Tax Certificate (the “Tax Certificate”) containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the County covenants that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things required by the Code to assure that Interest will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 3 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of Interest, and (ii) compliance by the County with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

4. Interest is exempt from Oregon personal income tax.

Except as stated above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the Obligations or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, for any facts or circumstances that may hereafter come to our attention, for any changes in law or in interpretations thereof that may hereafter occur or for any other reason. We express no opinion as to the consequence of any change in law or interpretation thereof, or otherwise, that may hereafter be enacted, arise or occur, and we note that such changes may take place or be proposed from time to time. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel as to the exclusion from gross income for federal income tax purposes of Interest, or under state and local tax laws.

The portion of this opinion that is set forth in paragraph 1 above is qualified only to the extent that enforceability of the Financing Agreement and the Escrow Agreement may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors’ rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the County.

This opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations and exceptions. For purposes of this opinion, the terms “law” and “laws” do not include unpublished judicial decisions, and we disclaim the effect of any such decision on this opinion.

We have served as special counsel only to the County in connection with the Obligations and have not represented and are not representing any other party in connection with the Obligations. This opinion is given solely for the benefit of the County in connection with the Obligations and may not be relied on in any manner or for any purpose by any person or entity other than the County and any person to whom we may send a formal reliance letter indicating that the recipient is entitled to rely on this opinion.

Very truly yours,

Appendix B

Financial Statements

The County's Auditor has not performed any further review of the County's financial statements since the date of the audit contained herein. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of its report on the 2017 Fiscal Year.



CLACKAMAS COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

CLACKAMAS COUNTY, OREGON

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017



Photos courtesy of Mt. Hood Territory

Prepared by:

Clackamas County Department of Finance
and the Office of the County Treasurer
Marc S. Gonzales, Director of Finance
Christa Bosserman Wolfe, Deputy Director, CPA
David Bodway, Finance Manager

**CLACKAMAS COUNTY, OREGON
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CLACKAMAS COUNTY, OREGON

**GOVERNING BODY UNDER ORS 451.485
BOARD OF COUNTY COMMISSIONERS
CLACKAMAS COUNTY, OREGON**

Public Services Building
2051 Kaen Road
Oregon City, Oregon 97045

COMMISSIONERS AS OF JUNE 30, 2017

<u>Name</u>	<u>Term Expires</u>
Jim Bernard, Chair Public Services Building	December 31, 2021
Paul Savas, Commissioner Public Services Building	December 31, 2019
Martha Schrader, Commissioner Public Services Building	December 31, 2021
Ken Humberston, Commissioner Public Services Building	December 31, 2021
Sonya Fischer, Commissioner Public Services Building	December 31, 2019



ADMINISTRATIVE OFFICES

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

COUNTY ADMINISTRATOR

Don Krupp

LEGAL COUNSEL

Stephen Madkour
2051 Kaen Road
Oregon City, Oregon 97045



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

January 17, 2018

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

The Comprehensive Annual Financial Report (CAFR) of Clackamas County, Oregon (the County) for the year ended June 30, 2017 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.

INTRODUCTORY SECTION

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 Moss-Adams, LLP, was selected to perform the audit for the year ended June 30, 2017. 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 and related requirements in 2 CFR 200. 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.

Clackamas County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the US Office of Management and Budget's 2 CFR 200, *Uniform Guidance*. 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 financial reporting and compliance with certain provisions of laws, regulations, contracts and grants are included in a separately issued single report.

To the Board of County Commissioners and the
Citizens of Clackamas County, Oregon:
January 17, 2018

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). 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 with the exception of the Housing Authority of Clackamas County which has an additional member appointed. 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, 2017 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.

According to the Portland State University Population Research Center, Clackamas County now has an estimated population of 413,000 as we approach the end of 2017, which is a gain of 8,020 since the same time in 2016 (and an approximate 9.84 percent increase since it was measured in 2010 during the U.S. Census). Clackamas County remains one of the more developable parts of the tri-county metropolitan area. The shrinking availability of desirable building lots with expansion room in Happy Valley, demand for developable land in the surrounding unincorporated area, as well as a decline in the remaining inventory of homes for sale in some cities including Milwaukie and Gladstone, is causing upward housing price pressures in the northerly part of Clackamas County.

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, roads and streets, public safety, and park services.

Clackamas County and its component units are governed by a five-member Board of County Commissioners. Commissioner Jim Bernard, elected in the May 2014 primary, ran against the incumbent and won the position of County Chair. He took office as Chair in January 2017. This left Commissioner Bernard's previous seat vacant and the Commissioners appointed Sonya Fischer to complete his term which expires in 2018. Commissioner Paul Savas originally took his seat in January 2011 and was re-elected in the May 2014 primary election with a large enough vote margin to avoid having to face a runoff; his term expires in 2018. Incoming Commissioner Ken Humberston, joined the Board in January 2017. Commissioner Martha Schrader returned to the Board in the November 2012 election and was re-elected in November 2016.

To the Board of County Commissioners and the
Citizens of Clackamas County, Oregon:
January 17, 2018

The position of the Chair, unlike in some other local government jurisdictions, does not have singular 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.

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. Following a nationwide recruitment for a new County Administrator in 2013, the Board of Commissioners selected Don Krupp to take the appointment as the County executive. Mr. Krupp oversees the activities of the many County departments and is Chief Administrator for several County Service Districts, component units under the governance of the Board.

Also included in this report are the activities of the six 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 County 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 2009 creation of a Clackamas County Justice Court, which hears traffic violation cases, small claims and other judicial matters once coming before the Circuit Court, an eleventh elected position was created.

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.

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

- Clackamas County Development Agency, an Urban Renewal Agency;
- Clackamas County Enhanced Law Enforcement Service District;
- North Clackamas Parks and Recreation District;
- Clackamas County Service District No. 1, a sanitary sewer district;
- Clackamas County Service District No. 5, a street and highway lighting district;
- Tri-City Service District, a sanitary sewer district;
- Surface Water Management Agency of Clackamas County;
- Clackamas County Extension and 4-H Service District;
- Library Services District of Clackamas County, and
- The Housing Authority of Clackamas County, providing housing services to individuals meeting federal criteria as low income residents;

To the Board of County Commissioners and the Citizens of Clackamas County, Oregon:
January 17, 2018

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.

The County has included the activities of the Clackamas Workforce Partnership, (formerly Workforce Investment Council of Clackamas County (WICCO)) as a discretely presented component unit. The County is not financially accountable for and does not exercise significant financial influence over the Hospital Facility Authority of Clackamas County Oregon, the Oregon Fair Association, and Clackamas County Vector Control, related organizations. Thus, the results of their 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 Oregon Revised Statutes, Chapter 294 which prescribes the format and content of local government budgets in the state. The annual appropriated budget is adopted by the County's Board of Commissioners. All of the General Fund, special revenue funds, enterprise funds, internal service funds, capital projects funds, fiduciary 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 central services to be distributed to operating departments. This cost allocation is designed to recover the costs of technology, human resources services, records management, financial and accounting, and facilities management costs, - among others - provided to county departments and component unit operations. The cost allocation system is applied in a manner consistent and compliant with rules about grant-funded activities.

The Budget Committee, comprised of the Commissioners and an equal number of citizen members appointed by the Commissioners, typically establishes expectations and budgetary policy targets for the upcoming budget season in January of each year. For the 2017-18 budget process, the ten-member Budget Committee considered and unanimously approved the proposed budget submitted by the Budget Officer, Mr. Krupp, with some minor amendments.

Each year the County issues its prospective budget calendar, holds a workshop to apprise departments of the requirements for the budget process, and allows time for departments to generate budget requests. Budgets are turned in to the Budget Office in March, are 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 (generally held in May of each year) 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, so that the next fiscal year will have its budget in place as it commences.

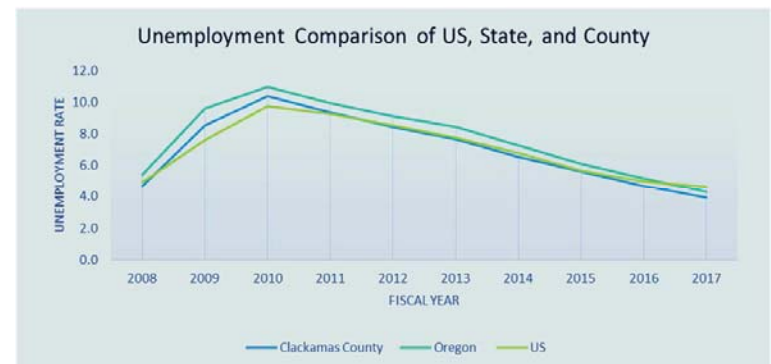
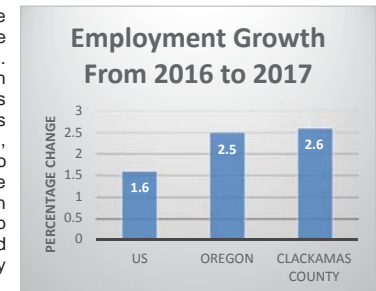
To the Board of County Commissioners and the Citizens of Clackamas County, Oregon:
January 17, 2018

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by program organizational unit for all individual funds, with separate appropriations for amounts that are not attributable to an organizational unit (if applicable.) Contingency is the most common appropriation not attributable to a specific organizational unit. 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.

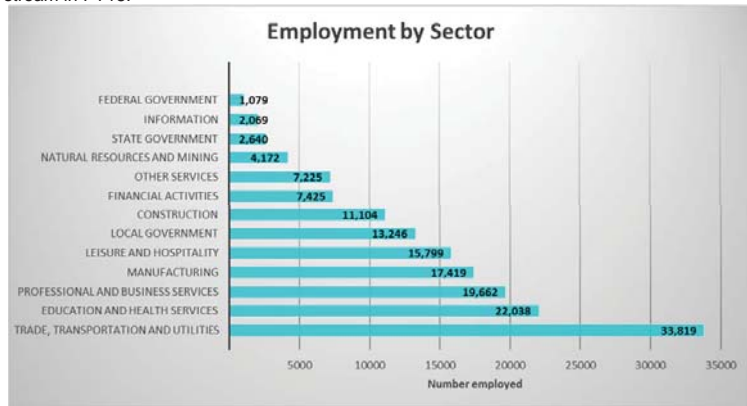
Local Economic Condition and Outlook

The December 2017 report from Oregon's State Office of Economic Analysis (OEA) notes that the current outlook for Oregon remains positive. While our economic expansion continues, growth has slowed and stabilized, as Oregon has essentially reach full employment. The OEA calls for healthy job gains across Oregon in the future, at the rate of about 3,000 per month compared to previous gains for nearly 5,000 per month. While job growth is slowing in the state's largest urban areas, rural Oregon is seeing a pick-up in job growth. 21 of Oregon's 36 counties have regained their recessionary lost jobs – Clackamas County being one of these.

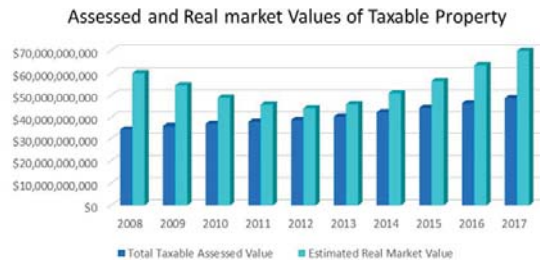


To the Board of County Commissioners and the
Citizens of Clackamas County, Oregon:
January 17, 2018

The County's employment base has changed over time from a largely agricultural to a mix of government, tourism, manufacturing, professional service, and trades. With the legalization of marijuana in the State of Oregon, we are now seeing commercial cannabis grow operations, as well as retailers, emerge as a potential up and coming business base within our local economy. Some 219 commercial operations have applied for land use permits within the County. The County passed a 3% local tax on marijuana sales and has begun to collect on this new revenue stream in FY18.



Clackamas County has passed through the end of the decade of intermittent growth followed by loss in population and development as the recession of 2008 played out and reversed to the current healthy economy. For *ad valorem* property taxation in the fiscal year beginning July 2017, taxable real estate assessed values (as calculated by County Assessor Bob Vroman) increased approximately 4.80 percent on a taxable property valuation of \$46 billion. Pent-up demand for housing has continued, keeping prices high; meanwhile rents sky-rocket and affordable housing has become a crisis in the metro area. The average price of all homes sold in Clackamas County is \$397,900 and prices still are expected to increase by another 3.5% this year. The average listing price per square foot is \$214, which is the same as Washington County, but Multnomah County's average is \$272, which has potential buyers choosing Clackamas County as their future home.



To the Board of County Commissioners and the
Citizens of Clackamas County, Oregon:
January 17, 2018

Despite these encouraging economic conditions, Clackamas County continues to budget conservatively for fiscal year 2018-19 and in forecasts for the years beyond. With a healthy General Fund, the County is proceeding thoughtfully as the Board makes plans for future large-scale capital projects, such as a new County Courthouse to replace the 1930s-era Courthouse located in downtown Oregon City.

Long Term Planning Efforts and Major Initiatives

In 2014, Clackamas County embarked on a large scale strategic planning effort, emphasizing the relationship between providing budget resources and measurable progress toward declared goals of the governing body and related customer satisfaction. This program, called **Performance Clackamas**, has changed our approach to budget development and tracking of outcomes, so that measurable progress toward BCC goals will be provided to County residents. During 2017 fiscal year, several more departments developed strategic plans and measurements to support performance based budgets. Departments provide quarterly reports on strategic results to County Administration and annual reports to the BCC through the budget process.

During the 2017 Legislative Session, HB 2017 resulted in a statewide transportation funding package that will benefit all agencies in the state of Oregon; this bill included limited funding for the I205 Abernethy Bridge and I205 Stafford Widening project. Funding from HB 2017 should move the project through planning and limited design work, with the commitment that the State will continue working toward securing full funding for the design and construction of this project.

Two of the County's top transportation priorities have received listing as a Federal Highway Administration Project of National and Regional Significance. The projects are the Sunrise Corridor and expansion of Interstate 205 from two to three lanes in higher traffic concentration areas. The projects should reduce congestion, increase safety and provide enhanced economic development opportunities and freight mobility in the County's Industrial Area. The Sunrise Corridor opened July 1, 2016, providing a new bypass from I-205 and directly connected Hwy 224.

On July 17, 2016, in a historic move, the City of Damascus rendered its charter to the County and officially dis-incorporated. This was the result of the voters' passage of Measure 3-93 on the May 17th ballot. The County is now providing rural-type services to the Damascus area and assessing property taxes at rural rates. Damascus residents may be eligible to receive a refund of a portion of property taxes paid to the former City. The refund process will be administered jointly by the County Assessor and the Department of Finance and will officially complete the remaining dissolution processes outlined by ORS 221.650. This will liquidate the Trust fund reported, which holds the remaining balances from the Damascus funds.

On November 3, 2016, the Board of County Commissioners approved the creation of an ORS 190 Partnership Agreement to jointly own, operate, and manage the functions and assets of the Service District 1 and Tri-City Service District. The agreement was modified on May 18, 2017, to allow Surface Water Management District join the partnership as well. The agreement establishes an advisory committee to advise the Department (Water Environment Services) on decisions regarding capital improvement programs, annual budgets, financial planning, and long-term financing plans for the entire partnership. Another potential benefit of the partnership is the ability to consolidate the budgets and audits of the three districts into one process.

To the Board of County Commissioners and the
Citizens of Clackamas County, Oregon:
January 17, 2018

The County asked and was successful in passage by voters of approximately \$59 million dollars of general obligation bonds on December 1, 2016, to replace the aging emergency radio communication system and expand coverage in the rural areas. The County has entered into an intergovernmental agreement with Clackamas Radio Group (a Council of Governments) to reimburse the agency for their radio replacement project with the bond proceeds. The project is currently 23% complete. The county will repay the general obligation debt through the associated tax levy.

During the 2017 Oregon Legislative Session, HB 5006 provided the County with \$1.2 million in planning money as initial support for Courthouse replacement. The County put in its bid to request future matching dollars from the State to build a new County Courthouse. The County owns land designated in its Facilities Master Plan for a future Courthouse. According to a recent consultant's report, the current Courthouse, while historic, lacks capacity and is situated on soil that is subject to liquefaction and landslides in a significant seismic event. Project planning has begun and a conceptual rendering has been shared with our project partners. The County is currently preparing a draft financing plan for the Board's consideration in early 2018.

Relevant Financial Policies

The County has established targets for ending fund balances which have yielded modest increases in year-end fund balance in the County's General Fund over the last several years. As of June 30, 2017, the Combined General Fund ending balance increased to approximately \$101 million. This is primarily attributable to the issuance and receipt of general obligation bonds for the previously discussed emergency radio communications project.

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. 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 accounts 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, 2016. That was the 24th 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

To the Board of County Commissioners and the
Citizens of Clackamas County, Oregon:
January 17, 2018

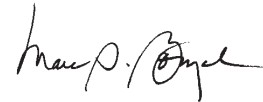
efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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. We also acknowledge the cooperation and information provided by each department of the County to meet the deadlines for financial reporting.

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

Sincerely,



Marc S. Gonzales
Finance Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to
**Clackamas County
Oregon**

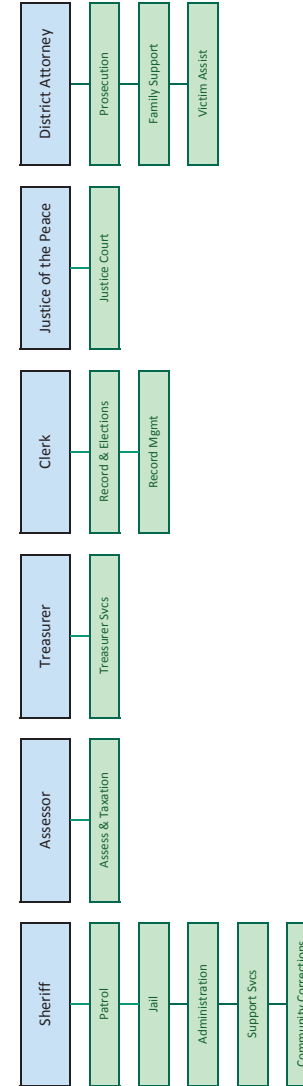
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

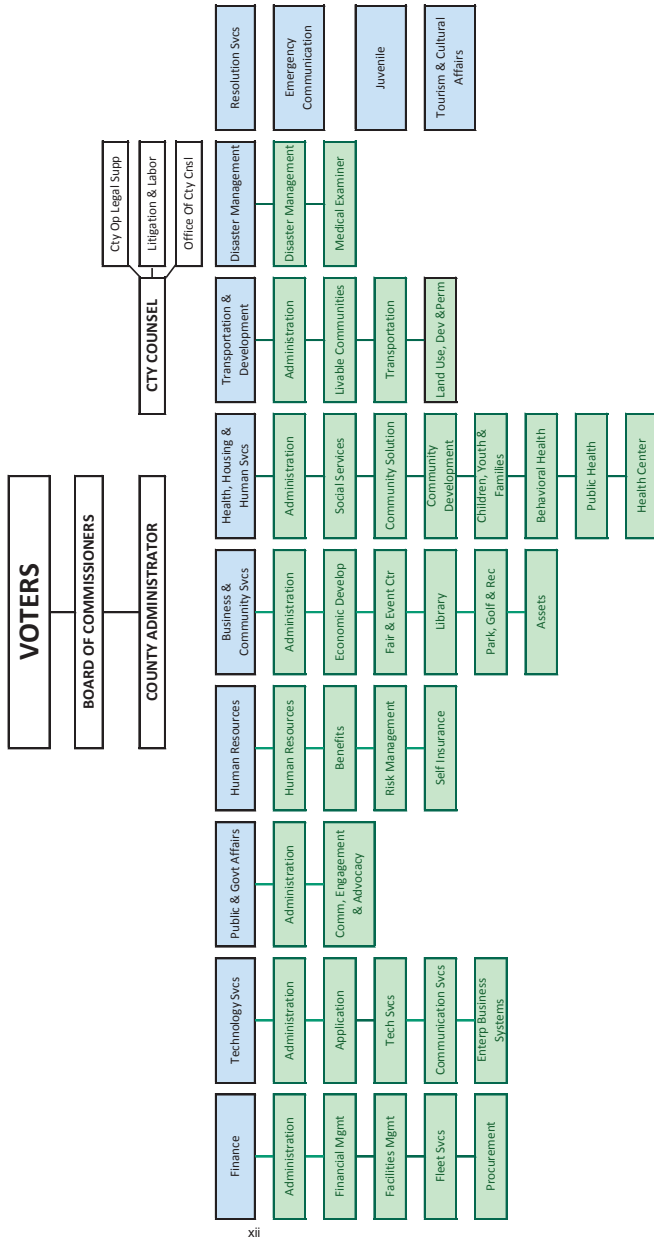
Executive Director/CEO

Clackamas County Departments

VOTERS



Clackamas County Departments



CLACKAMAS COUNTY, OREGON

PRINCIPAL OFFICIALS

JUNE 30, 2017

BOARD OF COUNTY COMMISSIONERS

<u>Title</u>	<u>Name</u>
Commissioner, Chair	John Ludlow
Commissioner	Jim Bernard
Commissioner	Paul Savas
Commissioner	Martha Schrader
Commissioner	Tootie Smith

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 Court Judge	Karen Brisbin

MANAGEMENT OFFICIALS

<u>Title</u>	<u>Name</u>
County Administrator	Don Krupp
Finance Director	Marc Gonzales
Human Resources Director	Evelyn Minor-Lawrence
Public and Government Affairs Director	Gary Schmidt
Health, Housing and Human Services Director	Rich Swift
Transportation and Development Director	Barbara Cartmill
Water Environment Services Director	Greg Geist
Business and Community Services Director	Gary Barth
Juvenile Director	Christina McMahan
Disaster Management Director	Nancy Bush
County Counsel	Stephen Madkour
Technology Services Director	David Cummings
Communications Department (C-Com) Director	Bob Cozzie
Family Court Services Director	Lauren MacNeill
Tourism & Cultural Affairs Executive Director	Danielle Cowan
Community Corrections Captain	Jenna Morrison



Report of Independent Auditors

Board of County Commissioners
Clackamas County, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements 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 (the County) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Workforce Investment Council of Clackamas County, Inc. (WICCO), which represents 100% of the assets, net position, and revenues 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 opinion, insofar as it relates to the amounts included for WICCO, is 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

FINANCIAL SECTION

Opinions

In our opinion, based on our audit and the report of 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 as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15; the schedules of revenues, expenditures and changes in fund balance – budget and actual and related notes (the budgetary schedules) on pages 83 through 87 and 91; and the schedules of funding progress for other post-employment benefits, proportionate share of the net pension liability, pension contributions on page 88 (the OPEB and pension schedules), schedule of changes in the Sheriff's OPEB plan net OPEB liability and related ratios on page 89, and schedule of Sheriff's OPEB plan contributions on page 90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis, the OPEB and pension schedules, schedule of changes in the Sheriff's OPEB plan net OPEB liability and related ratios, and schedule of Sheriff's OPEB plan contributions in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The budgetary schedules described above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or

to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County's basic financial statements. The introductory section and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Reports of Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report under separate cover dated January 17, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

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

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 17, 2018, on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Moss Adams LLP
Eugene, Oregon
January 17, 2018

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017. 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 eleven component units included in this presentation. They include ten blended components, the Clackamas County Development Agency (CCDA), Clackamas County Enhanced Law Enforcement District (ELED), 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), the Clackamas County Extension and 4-H Service District (EXT4H), and the Library District of Clackamas County (LDCC). In addition, the Workforce Investment Council of Clackamas County, Inc. (WICCO) is included as discretely presented component unit.

FINANCIAL HIGHLIGHTS

- The assets of Clackamas County exceeded its liabilities at June 30, 2017 by \$973,998 (reported as net position). The net position consists of \$149,577 which is restricted for specific purposes and \$807,194 as the net investment in capital assets, leaving an unrestricted balance of \$17,226 as available resources.
- The total net position of Clackamas County increased by \$4,148 or 0.4% as compared against the prior fiscal year. Various reasons account for the increase in net position, which are discussed by management below.
- Total assets of Clackamas County increased by \$80,020 or 5.7% from the prior year, which is largely due to the issuance of general obligation bonds for the Clackamas Radio Group's emergency radio communication replacement project. General government expenses decreased by \$83,277.
- Total liabilities of Clackamas County increased by \$213,542 or 48.1% over the prior year which was largely due to a significant increase in Bonds payable.
- Property tax revenues increased by \$7,939 or 5.1% over the prior year due to the continued growth in the local housing market and a robust economy.
- Fines, fees, and charges for services revenues declined by \$11,997 or 8.9% compared to the prior year due to lower economic development activity.
- Operating and capital grants and contribution revenues increased by \$1,789 or 1.1% compared to the prior year due to the varying nature of grant revenue and contributed capital.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$300,153, an increase of \$73,275 or 32.3%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL HIGHLIGHTS (Continued)

- At the end of the current fiscal year, total combined fund balance for the General Fund was \$100,731, an increase of \$68,161 or 209.3% over the prior year due to the general obligation bond issuance for the Clackamas Radio Group's emergency communications project. Of that fund balance, unassigned fund balance (available for spending) was \$34,465, or approximately 34.2% of total combined 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.

Basic Financial Statements			
Government-wide Financial Statements	Fund Financial Statements		
	Governmental Funds	Proprietary Funds	Fiduciary Funds
Statement of Net Position	Balance Sheet	Statement of Net Position	Statement of Fiduciary Net Position
	Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Revenues, Expenses, and Changes in Fund Net Position	
Statement of Activities	Budgetary Comparison Schedule	Statement of Cash Flows	Statement of Changes in Fiduciary Net Position
	Notes to the Basic Financial Statements		

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

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The *Statement of Activities* presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 the following: general government; public protection; public ways and facilities; health and human services; culture, education and recreation; and economic development. The business-type activities include the following: sanitary, sewer, and surface water management; housing assistance, golf recreation, and street lighting.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund financial statements. A fund is a self-balancing 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, except for the agency fund. 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 fifty-eight individual governmental funds for financial reporting purposes, of which five are classified as major-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, Road Fund, Sheriff Fund, the Clackamas Town Center Tax Increment Fund, and the DTD Capital Projects Fund,

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

all of which are presented as 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. Eight additional funds are budgeted for and maintained separately for management purposes, but are combined with the general fund for financial reporting purposes, as required by Governmental Accounting Standards Board Statement 54. Please see pages 92 through 93 of this report for information on the combined General Fund.

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Type of Financial Statement	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Scope	Entire entity (except fiduciary funds)	Day-to-day operating activities for basic services	Day-to-day operating activities for business-type activities	Resources on behalf of others
Accounting basis and measurement focus	Accrual accounting and economic resources measurement focus	Modified accrual accounting and current financial resources measurement focus	Accrual accounting and economic resources measurement focus	Accrual accounting and economic resources measurement focus (except for agency funds)
Type of asset, deferred outflows of resources, liability, and deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long term	Current assets, liabilities, and deferred inflows of resources that come due during the year or soon thereafter	All assets, deferred outflows of resources, liabilities, and deferred outflows of resources both financial and capital, short-term and long-term	All assets, deferred outflows of resources, and deferred inflows of resources held in a trustee or agency capacity for others
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The County adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

The basic governmental fund financial statements and respective reconciliations can be found on pages 18 through 21 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 housing assistance, sewer operations, street lighting operations, and the 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, communications and data processing, central dispatch, records management, cable television operations, 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.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The enterprise fund financial statements provide aggregate information for the housing assistance, sewer operations, street lighting operations, and for its golf course funds. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the proprietary and internal service funds are provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22 through 25 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 26 and 27 of this report.

Notes to 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 28 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 83 through 91 of this report.

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the County's financial position. The County's total net position increased when compared to the prior year. This increase arises primarily in Business Type Activities, where general revenues exceeded program losses in the Statement of Activities and flows to the Statement of Net position, as shown on the following page.

A condensed Statement of Net position at June 30, 2017 and 2016 follows, rounded and stated in thousands:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 370,933	\$ 296,635	\$ 142,981	\$ 128,393	\$ 513,914	\$ 425,028
Capital assets, non-depreciable	428,843	418,378	32,071	26,697	460,914	445,075
Capital assets, depreciable	307,936	315,950	208,332	225,023	516,268	540,973
Total assets	1,107,712	1,030,963	383,384	380,113	1,491,096	1,411,076
Deferred outflows of resources	143,021	28,843	8,962	450	151,983	29,293
Current liabilities	69,207	73,850	10,627	8,953	79,834	82,803
Liabilities due after one year	455,882	247,112	122,002	114,260	577,884	361,372
Total liabilities	525,089	320,962	132,629	123,213	657,718	444,175
Deferred inflows of resources	11,182	25,886	181	459	11,363	26,345
Net position:						
Net investment in capital assets	664,860	653,008	142,335	158,995	807,194	812,003
Restricted:						
Capital projects	-	-	25,858	21,424	25,858	21,424
Culture, education and recreation	30,121	26,052	-	-	30,121	26,052
Debt service	30,096	32,248	6,385	4,856	36,481	37,104
Economic development	4,766	19,133	-	-	4,766	19,133
Health and human services	21,343	18,075	-	-	21,343	18,075
Public protection	13,841	2,083	-	-	13,841	2,083
Public ways and facilities	17,167	21,311	-	-	17,167	21,311
Unrestricted	(67,731)	(58,951)	84,957	71,618	17,226	12,667
Total net position	\$ 714,463	\$ 712,959	\$ 259,535	\$ 256,893	\$ 973,998	\$ 969,852

For governmental activities, total assets increased by \$76,749 or 7.4% during fiscal year 2017 primarily due to the increase in cash. Total liabilities increased by \$204,127 or 63.6%, as the County reported a net pension liability of \$265,715.

Components of Net Position
• Net Investment in Capital Assets
• Restricted
• Unrestricted

Restricted net position decreased \$1,568 or 1.3% from the prior year. The Net Position is reported as restricted in the governmental fund financials and in the Statement of Net Position. Total net position for governmental activities decreased \$1,504 or 0.2% over the previous year. Current year decrease of net position is discussed below in the Statement of Activities section.

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Business-type activities report an increase in total assets of \$3,271 or 0.9% during fiscal year 2017, resulting primarily from an increase in cash. Overall, liabilities increased by \$9,416 or 7.6% from the prior year, due to a significant increase on long term liabilities.

In fiscal year 2017, net position for the business-type activities increased by \$2,642 or 1.0%. Net position increases are discussed in the following Statement of Activities section. A condensed Statement of Activities for the years ended June 30, 2017 and 2016 follows rounded and stated in thousands:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Fees, fines, charges for services	\$ 63,783	\$ 73,672	\$ 58,446	\$ 60,554	\$ 122,229	\$ 134,226
Operating grants and contributions	156,437	159,505	7,470	2,612	163,906	162,117
Capital grants and contributions	13,198	14,389	9,455	9,304	22,654	23,693
General revenues:						
Property taxes	163,945	156,005	-	-	163,945	156,005
Other taxes	4,485	4,416	-	-	4,485	4,416
Gain (loss) on disposal of assets	-	835	-	-	-	835
Investment earnings	1,805	1,244	2,150	1,706	3,955	2,949
Miscellaneous	5,018	7,377	1,825	69	6,843	7,446
Total revenues	408,670	417,443	79,346	74,244	488,017	491,687
Expenses:						
General government	45,758	72,246	-	-	45,758	72,246
Public protection	132,468	155,576	-	-	132,468	155,576
Public ways and facilities	46,463	51,745	-	-	46,463	51,745
Health and human services	122,809	148,052	-	-	122,809	148,052
Culture, education and recreation	42,296	43,859	-	-	42,296	43,859
Economic development	13,679	14,671	-	-	13,679	14,671
Interest and fiscal charges	3,994	4,595	-	-	3,994	4,595
Sanitary sewer and surface water	-	-	48,609	46,709	48,609	46,709
Housing assistance	-	-	22,341	22,873	22,341	22,873
Golf	-	-	2,309	2,298	2,309	2,298
Lighting	-	-	1,822	1,862	1,822	1,862
Broadband utility	-	-	1,322	1,107	1,322	1,107
Total expenses	407,467	490,744	76,403	74,848	483,869	565,592
Increase in net position before transfers	1,204	(73,301)	2,944	(604)	4,148	(73,905)
Transfers in (out)	300	250	(300)	(250)	-	-
Increase in net position	1,504	(73,051)	2,644	(854)	4,148	(73,905)
Net position, beginning of year	712,959	786,010	256,892	257,746	969,852	1,043,756
Net position, end of year	\$ 714,463	\$ 712,959	\$ 259,535	\$ 256,893	\$ 973,998	\$ 969,852

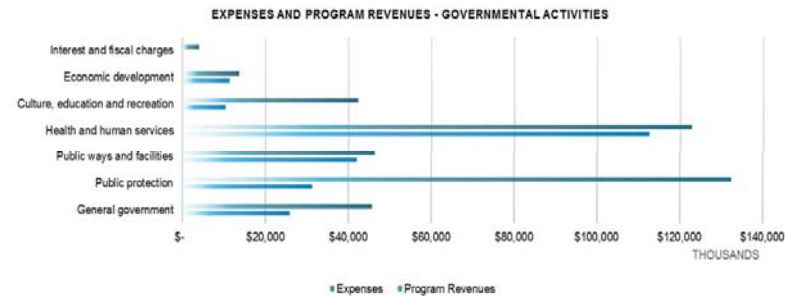
For the governmental activities, 2017 total revenue decreased \$8,773 or 2.1% compared to the prior year. Fees, fines, charges for services decreased by \$3,068 or 1.9%, while property taxes increased by \$7,940 or 5.1% due to growth in property values in the County. The shifts are largely due to changes in various grants and state funding sources, as well as contributed capital assets, which are variable in nature.

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Transient lodging taxes showed growth of \$69 or 1.6% as travel increased this year due to the continuation of the recovery. An increase in investment earnings in the amount of \$561 or 45.1% resulted from the County safe-keeping funds in only the most conservative investments, per its investment policy.

For the governmental activities, 2017 total expenses decreased \$83,277 or 17% compared to the prior year. Decreases were reported in General Government of \$26,488 or 36.7%, Public Protection of \$23,108 or 14.9%, Public Ways and Facilities of \$5,282 or 10.2%, Health and Human Services of \$25,243 or 17.1%, Cultural Education and Recreation of \$1,563 or 3.6% and Economic Development of \$992 or 6.8%, compared to the prior year. The pension expenses were allocated to governmental activities based on payroll. The remainder is due to decreases in staffing in internal services. A slight decrease was reported in Interest and fiscal charges.



For the business-type activities, 2017 total revenues increased \$5,102 or 6.9% compared to the prior year. Operating grants and contributions increased by \$4,858 or 186.0% while capital grants and contributions increased by \$151 or 1.6%, for a net increase of \$5,009 or 42.0%. The shifts are largely due to changes in grant revenues within the Housing Assistance and the Sanitary Sewer and Surface Water activities.

For the business-type activities, 2017 total expenses increased \$1,555 or 2.1% compared to the prior year. Increases were noted in Sanitary, Sewer and Surface Water by \$1,900 or 4.1%, Golf by \$11 or .5%, Broadband Utility by \$215 or 19.4% compared to prior year. A decrease of \$532 or 2.3% was reported in the Housing Assistance and a decrease of \$40 or 2.1% was reported in Lighting Activities. Please see the Statement of Revenues, Expenses, and Changes in Net position, Proprietary Funds, for more detail relating to business type activities.

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)



FUND ANALYSIS

Major Fund Highlights

The primary fund of the County, the combining General Fund, the ending year of operations with an increase in fund balance of \$68,161 or 209.2%, due to the receipt of the general obligation proceeds and relatively few expenditures for the emergency radio communication replacement project. Total revenues in the combining General Fund increased \$9,706 or 6.0% over the prior year, due primarily to increases in property taxes and charge for services. Major classifications such as property tax revenue increased by \$5,846 or 5.3% and charges for services increased by \$1,598 or 8.1%, while expenditures increased by \$6,448 or 9.7% during the year.

The Road Fund's major revenue sources are intergovernmental grant funding for road projects, of which had a decrease of \$672 or 2.4% and charges for services which increased \$1,802 or 36.3% as compared to the prior year. Expenditures increased \$942 or 3.2% over the prior year. Changes in this fund are attributed to the Road projects.

The Sheriff Fund reported an ending fund balance of \$3,553, which was an increase of \$1,090 or 44.3%. Revenues increased by \$817 or 4.5%, mostly attributed to a slight increase in charges for services, which remain consistent on an annual basis. Expenditures overall increased \$2,353 or 3.4%, with the majority of the increase being attributed to additional personnel costs compared to the prior year.

The Clackamas Town Center Tax Increment Fund reported an ending fund balance of \$30,096, which was a decrease of \$2,152 or 6.7%. Total revenues increased by \$145 or 71.8% compared to the prior year, due to an increase in interest revenues. Total expenditures remained zero, consistent with the prior year. Other financing uses consisted of transfers out, with an increase of \$2,500, as transfers out to other funds for capital construction was also zero in the prior year. This fund holds significant operating reserves for the Agency.

The DTD Capital Projects Fund reported an ending fund balance of \$3,304, which was an increase of \$2,720 over the prior year. The major source of revenues are intergovernmental, consisting of Federal and State grants such as Highway funds, which increased by \$1,486 or 19% over the prior year. Expenditures for road and related infrastructure projects increased by \$2,101 or 22% over the prior year.

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FUND ANALYSIS (Continued)

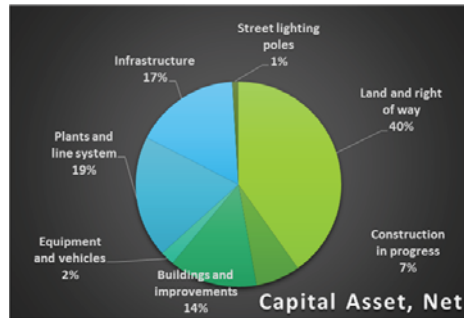
General Fund Budgetary Highlights

Total revenues in the General Fund were higher than the budget by \$819 or 5.1%. Property taxes exceeded budget by \$5 or 0.004%, due to increases in assessed values. Intergovernmental revenues exceeded budget by \$1,325 or 23.3% as grant revenues were higher than previously forecasted. Charges for services revenues exceeded budget by \$678 or 4.1%, largely due to charges to others. Licenses and permits revenue was lower than the expected budget by \$27 or 1.2%. Fines, forfeitures and penalties were under budget by \$495 or 98.6% as collections vary and miscellaneous revenues were under budget \$1,103 or 6.0% due to lower than expected payroll reimbursements from component units for personal services.

Total expenditures in the General Fund were \$71,136 or 54.6% under budget due to the general obligation bond proceeds not being expended at the rate previously forecasted for the emergency radio communications replacement project. Overall, the General Fund experienced an increase in fund balance on the budgetary basis by \$65,712 or 165.4% due to the general obligation bond issuance. The General Fund adopts the budget both by organizational unit for budgeted expenditures. All Departments remained within budgeted expenditures except as noted in Note 2 of the notes to the financial statements.

The adjustments necessary to bring the expenditure budget into agreement with the revised revenue budget account for some of the differences between the original General Fund budget and the final adopted budget. Total final adopted budgeted revenues increased by \$863 or 0.5% and the total final adopted budgeted expenditures increased by \$63,149 or 94.0% from the original budgeted numbers. During the year the General Fund contingency was increased by \$1,492 or 22.1%, transfers in was increased by \$1,764 from the original budget of \$0.0 and transfers out was increased by \$7,987 or 7.6%.

CAPITAL ASSETS



As of June 30, 2017, governmental activities had invested \$736,779 in capital assets net of depreciation. This was an increase of \$2,451 or 0.3% over the prior year. Construction in Progress, increased \$8,915 or 18.5% during the year, resulting from capital construction projects being started during the year.

As of June 30, 2017, business type activities had invested \$240,403 in capital assets net of depreciation. This was a decrease of \$11,319 or 4.5% under the prior year. Plants and line systems decreased \$16,317

or 8.0% resulting from depreciation expense for plants and line systems primarily.

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

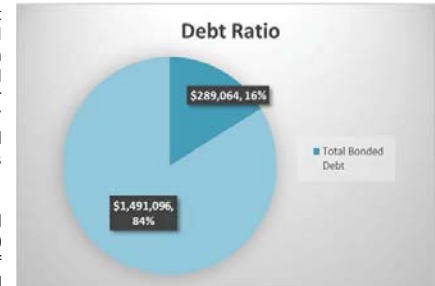
FUND ANALYSIS (Continued)

Please see Note 1 for capital asset policy and Note 6 for capital asset activity. A condensed schedule of capital assets, net of depreciation, for June 30, 2017 and 2016 follows:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and right of way	\$ 371,689	\$ 370,139	\$ 21,193	\$ 21,193	\$ 392,882	\$ 391,332
Construction in progress	57,154	48,239	10,878	5,505	68,032	53,744
Buildings and improvements	128,024	132,556	7,844	7,662	135,868	140,218
Equipment and vehicles	18,291	18,209	3,596	3,838	21,887	22,047
Plants and line system	-	-	187,148	203,465	187,148	203,465
Infrastructure	161,621	165,185	123	136	161,744	165,321
Street lighting poles	-	-	9,622	9,923	9,622	9,923
Total assets	\$ 736,779	\$ 734,328	\$ 240,403	\$ 251,722	\$ 977,182	\$ 986,050

DEBT ADMINISTRATION

Under state law, the County has a debt limitation of approximately 1.0% of the total assessed value of taxable property in Clackamas County for revenue bonds and full faith and credit obligations and 2% for general obligation bonds. At June 30, 2017 the County had used 16% of its revenue/full faith and credit debt capacity and 5% of its general obligation bond debt capacity.



During the year, the County issued General Obligation Bonds in the amount of \$59,000 which included a premium in the amount of \$7,166. Also, Service District #1 issued \$83,250 of Sewer Revenue refunding Bonds, Series 2016 to refinance older debt issuances.

Please see Note 10 for additional detail relating to long-term debt. A condensed schedule of long-term debt as of June 30, 2017 and 2016 is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Bonds payable						
Revenue bonds	\$ -	\$ -	\$ 109,020	\$ 107,430	\$ 109,020	\$ 107,430
General obligation bonds	59,000	-	-	-	59,000	-
Full faith and credit obligations	102,055	108,580	-	-	102,055	108,580
Premiums	8,939	2,284	10,050	33	18,989	2,317
Total bonds payable	169,994	110,864	119,070	107,463	289,064	218,327
Other long-term debt:						
Contracts, notes and loans payable	2,088	6,535	1,864	8,320	3,952	14,856
Total long-term debt	\$ 172,082	\$ 117,399	\$ 120,934	\$ 115,783	\$ 293,016	\$ 233,183

**CLACKAMAS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ECONOMIC FACTORS

Property taxes represent a significant revenue source for governmental activities. Approximately 93.4% of general revenues reported for the County as a whole in the Statement of Activities are property taxes. Approximately 40.1% of total revenues reported for governmental activities are property tax revenues. Property tax increased for the County and component units at 5.0% compared to the prior year due to an increase in the tax levy, due to increased property values. Property tax is forecasted by the County Assessor to grow by another 4.75% during fiscal year 2017-18.

Many County programs, particularly the Health and Human Services, are supported largely by State of Oregon and Federal revenues. These revenues provided by the Federal budget and State income taxes which are dependent on a healthy economy and unemployment rates.

In fostering sustainability, the County adopted a resolution providing contingency and reserves in the annual budget. The General Fund contingency each year is 5% of the overall County General Fund Budget. The reserve for future expenditure in the General Fund is targeted each year to measure 10% of the unrestricted General Fund revenues. Other funds can budget for a reserve for future expenditures if allowed by law, source or commitment of the Board of County Commissioners.

For the 2017-18 budget development, the County used a maintenance level budget, generally calculated by increasing each current base budget to accommodate known personnel cost increases and known baselines increases in internal services costs. Any new or increased service levels were proposed to the budget committee, which voted to approve based upon available funds. No additional funds were readily available to fund new or increased services in the 2017-18 budget development. The County met its Reserves policy of 10% of unrestricted General Fund, but was just shy of meeting its Contingency policy, by approximately \$116,000, of 5% of the General Fund expenditures.

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. The County adopted a strategic plan and performance based budgeting beginning in 2014-15. As of the adoption of the 2017-18 budget, about two thirds of departments had developed their strategic plans and 11 departments had fully implemented performance based budgeting.

During the 2017 Oregon Legislative Session, HB 5006 provided the County with \$1.2 million in planning money as initial support for Courthouse replacement. The State may provide up the 50% matching funds for the costs of the building, if certain conditions are met. The County is actively pursuing this opportunity.

FINANCIAL CONTACT

The financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the County's finances and to demonstrate accountability. If you have any questions about the report or need additional financial information, please contact the Clackamas County Department of Finance at 2051 Kaen Road, Oregon City, Oregon 97045-4035.

BASIC FINANCIAL STATEMENTS

**CLACKAMAS COUNTY, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2017**

**CLACKAMAS COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	Governmental Activities	Business-Type Activities	Total Primary Government	Workforce Investment Council of Clackamas County, Inc.
ASSETS				
Cash and investments - unrestricted	\$ 246,991,373	\$ 64,485,982	\$ 311,477,355	\$ 55,848
Cash and investments - restricted	64,959,876	33,557,328	98,517,204	-
Taxes receivable	9,538,196	-	9,538,196	-
Accounts receivable, net	12,085,282	12,025,482	24,110,764	-
Assessments receivable including interest, net	78,169	4,157,506	4,235,675	-
Grants receivable	9,845,330	-	9,845,330	831,121
Notes and loans receivable	14,470,387	29,069,751	43,540,138	-
Internal balances	1,695,683	(1,695,683)	-	-
Other assets	841,512	1,380,457	2,221,969	10,592
Property held for sale	10,427,280	-	10,427,280	-
Capital assets:				
Capital assets not being depreciated	428,843,008	32,071,259	460,914,267	-
Depreciable capital assets, net of depreciation	307,935,575	208,331,938	516,267,513	-
TOTAL ASSETS	1,107,711,671	383,384,020	1,491,095,691	897,561
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferrals	142,846,799	2,401,562	145,248,361	-
Deferred charge on debt refunding	174,574	6,560,089	6,734,663	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	143,021,373	8,961,651	151,983,024	-
LIABILITIES				
Accounts and claims payable	21,049,405	4,756,702	25,806,107	790,635
Accrued payroll	13,008,808	369,026	13,377,834	36,662
Deposits	1,710,978	91,910	1,802,888	-
Unearned revenue	11,044,300	302,363	11,346,663	-
Accrued interest payable	2,078,153	281,925	2,360,078	-
Other current liabilities	-	633,604	633,604	-
Noncurrent liabilities:				
Portion due or payable within one year:				
Compensated absences	11,443,303	64,416	11,507,719	-
Bonds payable	8,761,775	3,975,000	12,736,775	-
Loans and notes payable	110,000	152,083	262,083	-
Portion due or payable after one year:				
Compensated absences	1,561,928	167,696	1,729,624	-
Unearned revenue	-	160,800	160,800	-
Bonds payable	161,231,789	115,095,300	276,327,089	-
Loans and notes payable	1,978,294	1,715,937	3,694,231	-
Net pension liability	261,211,424	4,503,859	265,715,283	-
Other postemployment benefits	29,898,458	358,374	30,256,832	-
TOTAL LIABILITIES	525,088,615	132,628,995	657,717,610	827,297
DEFERRED INFLOWS OF RESOURCES				
Pension related deferrals	11,181,619	181,228	11,362,847	-
TOTAL DEFERRED INFLOWS OF RESOURCES	11,181,619	181,228	11,362,847	-
NET POSITION				
Net investment in capital assets	664,859,863	142,334,613	807,194,476	-
Restricted:				
Capital projects	-	25,858,401	25,858,401	-
Culture, education and recreation	30,120,533	-	30,120,533	-
Debt service	30,095,874	6,385,297	36,481,171	-
Economic development	4,765,853	-	4,765,853	73,792
Health and human services	21,343,150	-	21,343,150	-
Public protection	13,841,302	-	13,841,302	-
Public ways and facilities	17,167,003	-	17,167,003	-
Unrestricted	(67,730,768)	84,957,137	17,226,369	(3,528)
TOTAL NET POSITION	\$ 714,462,810	\$ 259,535,448	\$ 973,998,258	\$ 70,264

ACTIVITIES	Program Revenues				Net Revenue (Expense) and Changes in Net Position			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Totals	
Primary government:								
Governmental activities								
General government	\$ 45,758,369	\$ 16,100,793	\$ 9,737,496	\$ -	\$ (19,920,080)	\$ -	\$ (19,920,080)	\$ -
Public protection	132,468,019	7,974,111	23,315,247	-	(101,178,661)	-	(101,178,661)	-
Public ways and facilities	46,463,462	5,309,654	27,436,104	9,272,206	(4,445,498)	-	(4,445,498)	-
Health and human services	122,808,653	29,397,793	83,235,239	-	(10,175,631)	-	(10,175,631)	-
Culture, education and recreation	42,295,850	2,876,240	3,503,577	3,925,943	(31,990,090)	-	(31,990,090)	-
Economic development	13,678,623	2,124,240	9,209,164	-	(2,345,219)	-	(2,345,219)	-
Interest and fiscal charges	3,993,608	-	-	-	(3,993,608)	-	(3,993,608)	-
Total government activities	<u>407,466,584</u>	<u>63,782,821</u>	<u>156,436,827</u>	<u>13,198,149</u>	<u>(174,048,787)</u>	<u>-</u>	<u>(174,048,787)</u>	<u>-</u>
Business-type activities								
Sanitary, sewer and surface water	48,609,032	34,357,948	5,031,568	8,876,382	-	(343,134)	(343,134)	-
Housing assistance	22,340,905	16,839,020	2,438,053	579,083	-	(2,484,749)	(2,484,749)	-
Golf	2,308,634	2,528,583	-	-	-	219,949	219,949	-
Lighting	1,822,439	2,156,700	-	-	-	334,261	334,261	-
Broadband utility	1,321,736	2,564,146	-	-	-	1,242,410	1,242,410	-
Total business-type activities	<u>76,402,746</u>	<u>58,446,397</u>	<u>7,469,621</u>	<u>9,455,465</u>	<u>-</u>	<u>(1,031,263)</u>	<u>(1,031,263)</u>	<u>-</u>
Total primary government	<u>483,869,330</u>	<u>122,229,218</u>	<u>163,906,448</u>	<u>22,653,614</u>	<u>(174,048,787)</u>	<u>(1,031,263)</u>	<u>(175,080,050)</u>	<u>-</u>
Component unit:								
Workforce Investment Council of Clackamas County, Inc.	\$ 3,949,228	\$ -	\$ 3,903,540	\$ -	-	-	-	(45,688)
GENERAL REVENUES								
Property taxes levied for:								
General purposes					117,183,023	-	117,183,023	-
Public safety services					17,620,562	-	17,620,562	-
Parks and recreation operations					6,870,480	-	6,870,480	-
Education outreach services					2,184,606	-	2,184,606	-
Redevelopment districts, debt service					2,736,120	-	2,736,120	-
Library services					17,349,815	-	17,349,815	-
Transient lodging taxes					4,485,340	-	4,485,340	-
Earnings on investments					1,804,929	2,149,699	3,954,628	-
Miscellaneous					5,017,778	1,825,205	6,842,983	-
TRANSFERS IN (OUT)					<u>300,000</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers					<u>175,552,653</u>	<u>3,674,904</u>	<u>179,227,557</u>	<u>-</u>
CHANGE IN NET POSITION					<u>1,503,866</u>	<u>2,643,641</u>	<u>4,147,507</u>	<u>(45,688)</u>
NET POSITION, July 1, 2016					<u>712,958,944</u>	<u>256,891,807</u>	<u>969,850,751</u>	<u>115,952</u>
NET POSITION, June 30, 2017					<u>\$ 714,462,810</u>	<u>\$ 259,535,448</u>	<u>\$ 973,998,258</u>	<u>\$ 70,264</u>

CLACKAMAS COUNTY, OREGON
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds		Totals
	General Fund	Road Fund	Sheriff Fund	Clackamas Town Center Tax Increment Fund	DTD Capital Projects Fund			
ASSETS								
Cash and investments	\$ 103,418,152	\$ 21,624,681	\$ 1,411,863	\$ 30,095,874	\$ 1,970,184	\$ 128,058,580	\$ 286,579,334	
Taxes receivable	6,841,985	-	-	-	-	2,696,211	9,538,196	
Accounts receivable	1,138,606	145,126	732,947	-	305,799	9,652,870	11,975,348	
Assessment receivable	16,219	-	-	-	-	61,950	78,169	
Grants receivable	252,539	87,253	207,508	-	2,400,410	6,897,620	9,845,330	
Notes and loans receivable, net	-	-	-	-	-	14,470,387	14,470,387	
Due from other funds	3,393,081	-	3,574,948	-	33,728	-	7,001,757	
Property held for sale	-	2,877,343	-	-	-	7,549,937	10,427,280	
Prepaid items	100,236	1,130	11,539	-	-	592,426	705,340	
Interfund loan receivable	-	-	-	-	-	857,078	857,078	
TOTAL ASSETS	\$ 115,160,818	\$ 24,735,542	\$ 5,938,805	\$ 30,095,874	\$ 4,710,121	\$ 170,837,059	\$ 351,478,219	
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 1,496,011	\$ 665,642	\$ 211,258	\$ -	705,693	\$ 7,091,445	\$ 10,170,049	
Accrued payroll	5,581,094	611,308	2,150,886	-	-	3,835,711	12,178,999	
Due to other funds	-	13,923	-	-	-	5,190,160	5,194,083	
Unearned revenue	16,219	507,008	23,538	-	700,309	6,653,962	7,901,036	
Deposits	303,579	473,016	-	-	-	932,533	1,709,128	
TOTAL LIABILITIES	7,396,903	2,270,897	2,385,682	-	1,406,002	23,693,811	37,153,295	
Deferred Inflows of Resources:								
Unavailable revenue	7,033,173	-	-	-	-	7,138,315	14,171,488	
TOTAL DEFERRED INFLOWS OF RESOURCES	7,033,173	-	-	-	-	7,138,315	14,171,488	
Fund balances:								
Nonspendable	100,236	1,130	11,539	-	-	592,426	705,340	
Restricted	66,165,794	22,463,506	-	30,095,874	-	89,647,002	208,372,176	
Committed	-	-	3,541,584	-	-	3,353,423	6,895,007	
Assigned	-	-	-	-	3,304,119	46,412,082	49,716,201	
Unassigned	34,464,712	-	-	-	-	-	34,464,712	
TOTAL FUND BALANCES	100,730,742	22,464,645	3,553,123	30,095,874	3,304,119	140,004,933	300,153,436	
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 115,160,818	\$ 24,735,542	\$ 5,938,805	\$ 30,095,874	\$ 4,710,121	\$ 170,837,059	\$ 351,478,219	

CLACKAMAS COUNTY, OREGON
RECONCILIATION OF STATEMENT OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2017

TOTAL FUND BALANCE \$ 300,153,436

Total net position shown in the Statement of Net Position is different because:

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. 11,028,256

Capital assets are not financial resources for budgetary purposes and therefore are not reported in the governmental funds. 730,558,664

Other long-term assets are prepaid or are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds:
Deferred outflows of resources - current year pension contributions, changes of assumptions, projected and actual earnings on investments, changes in proportionate share, proportionate share of system contributions 131,564,206
Deferred outflows of resources - deferred charge on debt refunding 174,574

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 Position. 5,600,124

Noncurrent bonds payable are not due and payable in the current period and are not reported in the governmental funds. (169,993,564)

Other long-term liabilities that are not due and payable in the current period and are not reported in the governmental funds include:
Accrued interest payable (2,078,153)
Compensated absences (12,041,950)
Contracts, notes, and loans payable (2,088,294)
Net pension liability (240,579,937)
Other postemployment benefits (27,536,100)

Other long-term liabilities are acquired and apply to future periods and are not recognized as revenues until that time and, therefore, are deferred in the governmental funds:
Deferred inflows of resources - changes in proportionate share and proportionate share of system contributions (10,298,452)

TOTAL NET POSITION \$ 714,462,810

CLACKAMAS COUNTY, OREGON
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Totals
	General Fund	Road Fund	Sheriff Fund	Clackamas Town Center Tax Increment Fund	DTD Capital Projects Fund		
REVENUES:							
Property taxes	\$ 116,939,197	\$ -	\$ -	\$ -	\$ -	\$ 46,660,868	\$ 163,600,065
Other taxes	-	-	-	-	-	4,485,340	4,485,340
Licenses and permits	5,559,031	116,134	1,041,662	-	-	15,206,808	21,923,635
Fines, forfeitures, and penalties	44,058	-	176,248	-	-	4,749,725	4,970,031
Special assessment collections	-	-	-	-	-	645,444	645,444
Interest	55,091	158,456	-	347,836	-	1,117,989	1,679,372
Intergovernmental	8,682,390	27,068,349	9,168,566	-	9,375,314	74,739,966	129,034,585
Charges for services	21,448,121	6,764,975	3,231,478	-	2,475	44,766,842	76,213,891
Contributions	80,594	10,000	51,420	-	-	476,773	618,787
Reimbursements	17,265,248	111,497	5,404,653	-	-	1,776,430	24,557,828
Miscellaneous	1,164,169	118,025	101,784	-	-	1,833,774	3,217,752
TOTAL REVENUES	171,237,899	34,347,436	19,175,841	347,836	9,377,789	196,459,959	430,946,760
EXPENDITURES:							
Current:							
General government	62,994,975	-	-	-	-	7,058,429	70,053,404
Public protection	94	-	71,977,572	-	-	58,210,817	130,188,483
Public ways and facilities	-	28,219,350	-	-	2,709	5,023,492	33,245,551
Health and human services	3,442,159	-	-	-	-	88,358,170	91,800,329
Economic development	3,290,681	-	-	-	-	11,617,772	14,908,453
Culture, education and recreation	1,753,539	-	-	-	-	39,233,207	40,986,746
Debt service:							
Principal	189,495	-	-	-	-	10,782,719	10,972,214
Interest and fiscal charges	54,808	-	-	-	-	4,283,042	4,337,850
Capital outlay	1,052,921	2,037,550	-	-	11,495,112	13,006,786	27,592,369
TOTAL EXPENDITURES	72,778,672	30,256,900	71,977,572	-	11,497,821	237,574,434	424,085,399
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	98,459,227	4,090,536	(52,801,731)	347,836	(2,120,032)	(41,114,475)	6,861,361
OTHER FINANCING SOURCES (USES):							
Issuance of debt	59,000,000	-	-	-	-	-	59,000,000
Premium from issuance of debt	7,165,794	-	-	-	-	-	7,165,794
Proceeds from sale of capital assets	-	-	-	-	-	678,312	678,312
Transfers in	8,487,848	751,460	55,104,521	-	4,839,690	57,232,915	126,416,434
Transfers out	(104,951,413)	(4,268,671)	(1,212,520)	(2,500,000)	-	(13,914,162)	(126,846,766)
TOTAL OTHER FINANCING SOURCES (USES)	(30,297,771)	(3,517,211)	53,892,001	(2,500,000)	4,839,690	43,997,065	66,413,774
NET CHANGE IN FUND BALANCES	68,161,456	573,325	1,090,270	(2,152,164)	2,719,658	2,882,590	73,275,135
FUND BALANCE, JUNE 30, 2016	32,569,286	21,891,320	2,462,853	32,248,038	584,461	137,122,343	226,878,301
FUND BALANCE, JUNE 30, 2017	\$ 100,730,742	\$ 22,464,645	\$ 3,553,123	\$ 30,095,874	\$ 3,304,119	\$ 140,004,933	\$ 300,153,436

The notes to the basic financial statements are an integral part of this statement.
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CLACKAMAS COUNTY, OREGON
 RECONCILIATION OF STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
 FUNDS TO STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2017

NET CHANGE IN FUND BALANCES \$ 73,275,135

The change in net position reported in the Statement of Activities is different because:

Governmental funds report capital outlay as an expenditure. 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 expenditures 26,915,997
 Depreciation (24,006,132)

Governmental funds do not report capital asset disposals. However, in the Statement of Activities the loss on capital asset disposals is expensed.

Capital outlay disposals (442,627)

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 position and the payment of long-term debt principal increases net position.

Issuance of long-term debt (59,000,000)
 Receipt of bond premium (7,165,794)
 Deferred refunding (41,459)
 Payment of long-term debt principal 6,525,000
 Bond premium amortization 511,097

Contract principal payments are recorded as expenditures in the governmental funds and issuance of contracts are recorded as an other financing source. In the Statement of Activities issuance of contracts reduces net position and the payment of contract principal increases net position.

Payment of loans and notes principal 4,447,214

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.

1,038,938

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes related to long-term liabilities include:

Accrual of interest payable (1,144,483)
 Accrual of compensated absences (1,077,380)
 Accrual of pension items (21,369,809)
 Accrual of other postemployment benefits (3,088,968)

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 loss of internal service funds is reported as a governmental activity.

6,127,137

CHANGE IN NET POSITION

\$ 1,503,866

The notes to the basic financial statements are an integral part of this statement.
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**CLACKAMAS COUNTY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Business Type Activities - Enterprise Funds				Totals	Governmental
	Clackamas County Service District No. 1	Tri-City Service District	Housing Authority of Clackamas County	Non-Major Enterprise Funds		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received for services	\$ -	\$ -	\$ -	\$ 3,781,602	\$ 3,781,602	\$ 70,238,020
Cash received from grants	-	-	17,125,856	-	17,125,856	1,684,183
Cash received from customers	30,348,210	8,689,156	1,673,928	2,318,067	43,029,361	-
Cash paid for claims and legal fees	-	-	-	-	-	(31,089,971)
Cash paid to suppliers for goods and services	(5,632,098)	(3,207,556)	(3,806,121)	(3,239,476)	(15,885,251)	(14,342,602)
Cash paid for housing subsidies	-	-	-	-	-	(13,796,255)
Cash paid to related entities for services	(10,459,184)	(3,230,960)	-	(248,568)	(13,938,712)	-
Cash paid to employees for services	1,000,836	301,594	(2,036,467)	(248,393)	(2,284,850)	(18,931,668)
Other operating revenue	-	-	916,962	16,462	1,834,974	-
NET CASH FROM OPERATING ACTIVITIES	15,257,764	2,552,234	(322,987)	2,379,714	19,866,725	7,557,962
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal paid on bonds, contracts and loans payable	(81,399,801)	-	(288,014)	-	(81,687,815)	-
Proceeds from bonds	84,946,384	-	-	-	84,946,384	-
Interest received on assessments and contracts	183,984	-	-	-	183,984	-
Interest paid on bonds, contracts and loans payable	(2,776,885)	-	(630,230)	-	(3,407,115)	-
Assessment and contract principal collected	700,272	-	-	-	700,272	-
Collection of connection charges, grants, and property taxes	-	568,300	-	-	568,300	-
Capital grants received	-	18,447	579,083	-	597,530	-
Capital contributed	4,880,605	-	-	-	4,880,605	-
Acquisition of capital assets	(4,057,610)	(1,102,160)	(752,484)	(2,032,986)	(7,945,240)	(1,487,462)
Proceeds from sale of capital assets	-	-	4,865	-	4,865	-
Principal received on note	-	-	240,000	-	240,000	-
Payments on notes payable	(6,396,790)	-	-	-	(6,396,790)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(3,919,841)	(916,413)	(846,650)	(2,032,986)	(7,314,890)	(1,487,462)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from (to) other funds	-	-	-	(300,000)	(300,000)	730,332
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	-	-	-	(300,000)	(300,000)	730,332
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received on investments	666,563	100,725	1,082,587	35,251	1,885,106	125,557
Purchases of investments	-	-	(176,705)	-	(176,705)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	666,563	100,725	905,882	35,251	1,708,401	125,557
NET CHANGE IN CASH AND CASH EQUIVALENTS	12,004,486	2,137,546	(263,770)	81,979	13,960,236	6,926,389
CASH AND CASH EQUIVALENTS, JUNE 30, 2016	59,608,997	11,764,715	6,036,765	3,436,963	80,845,840	18,604,776
CASH AND CASH EQUIVALENTS, JUNE 30, 2017	\$ 71,612,883	\$ 13,902,261	\$ 5,771,990	\$ 3,518,942	\$ 94,806,076	\$ 25,531,166

The notes to the basic financial statements are an integral part of this statement.
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**CLACKAMAS COUNTY, OREGON
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Business Type Activities - Enterprise Funds				Totals	Governmental
	Clackamas County Service District No. 1	Tri-City Service District	Housing Authority of Clackamas County	Non-Major Enterprise Funds		Internal Service Funds
RECONCILIATION TO THE STATEMENT OF NET POSITION						
Current assets:						
Cash and cash equivalents	44,099,226	11,644,318	2,397,815	3,518,942	61,660,301	25,531,165
Restricted assets:						
Cash and cash equivalents	27,513,657	2,257,943	3,374,175	-	33,145,775	-
	\$ 71,612,883	\$ 13,902,261	\$ 5,771,990	\$ 3,518,942	\$ 94,806,076	\$ 25,531,166
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ (3,404,593)	\$ (120,757)	\$ (1,917,540)	\$ 1,897,093	\$ (3,545,797)	\$ 5,310,397
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	17,960,982	2,581,826	791,970	762,219	22,096,997	1,492,817
Principal payments forgiven on deferred loans	-	-	(11,162)	-	(11,162)	-
Pension expense	-	-	356,939	61,145	417,984	1,666,782
Changes in assets and liabilities:						
Accounts and other receivables	(54,490)	126,806	(458,138)	(1,581,572)	(1,967,394)	9,116
Due from other funds	-	-	-	-	-	(222,268)
Other assets	29,891	(28,129)	38,299	1,935	41,996	33,444
Accounts and claims payable	935,478	11,823	872,519	1,019,508	2,839,328	(1,727,118)
Accrued payroll	(327,608)	-	-	-	(327,608)	(943,019)
Other current liabilities	118,104	-	-	213,176	331,280	223,986
Deposits	-	-	(3,960)	-	(3,960)	-
Compensated absences	-	-	12,215	-	12,215	108,671
Due to other funds	-	(19,335)	-	8,210	(13,125)	1,606,969
Deposits	-	-	-	-	-	(50)
Unearned revenue	-	-	(4,029)	-	(4,029)	(1,781)
Total adjustments	18,662,357	2,672,991	1,594,553	482,621	23,412,522	2,247,565
NET CASH FROM OPERATING ACTIVITIES	\$ 15,257,764	\$ 2,552,234	(322,987)	\$ 2,379,714	\$ 19,866,725	\$ 7,557,962
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Contributions of capital from governments, developers, and customers	\$ 2,869,623	\$ 130,154	\$ -	\$ -	\$ 2,999,777	\$ -
Principal payments forgiven on loans	-	-	11,162	-	11,162	-

The notes to the basic financial statements are an integral part of this statement.
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CLACKAMAS COUNTY, OREGON
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

	Damascus Successor Private Purpose Trust Fund	Sheriff's Office Independent Retiree Medical Trust	Agency Funds
ASSETS			
Cash and investments	\$ 3,846,549	\$ 3,931,260	\$ 9,953,597
Property taxes receivable	-	-	33,617,275
Due from other funds	1,224	-	-
TOTAL ASSETS	<u>3,847,773</u>	<u>3,931,260</u>	<u>43,570,872</u>
LIABILITIES			
Due to other governments	856	-	43,570,872
TOTAL LIABILITIES	<u>856</u>	<u>-</u>	<u>43,570,872</u>
NET POSITION			
Held in trust	<u>\$ 3,846,917</u>	<u>\$ 3,931,260</u>	<u>\$ -</u>

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

CLACKAMAS COUNTY, OREGON
STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	Damascus Successor Private Purpose Trust Fund	Sheriff's Office Independent Retiree Medical Trust
ADDITIONS		
Contributions:		
Active plan members	\$ -	\$ 1,028,483
Retiree plan members	-	192,287
Investment earnings	-	356,830
Other additions	8,485,965	-
TOTAL ADDITIONS	<u>8,485,965</u>	<u>1,577,600</u>
DEDUCTIONS		
Benefits	-	957,437
Administrative	-	74,052
Other deductions	4,639,048	-
TOTAL DEDUCTIONS	<u>4,639,048</u>	<u>1,031,489</u>
CHANGE IN NET POSITION	<u>3,846,917</u>	<u>546,111</u>
NET POSITION - BEGINNING	<u>-</u>	<u>3,385,149</u>
NET POSITION - ENDING	<u>\$ 3,846,917</u>	<u>\$ 3,931,260</u>

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

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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 Oregon Revised Statutes (ORS) 203.230.

In evaluating how to define the County for financial reporting purposes, 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") Statements No. 14 and 61, 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, Clackamas County Extension and 4-H Service District, and Library District of Clackamas County - as part of the County. The decision to blend the component units was reached due to the County Commissioners governing each component unit as well as County management's responsibility of the operations of each component unit.

NOTES TO BASIC FINANCIAL STATEMENTS

Workforce Investment Council of Clackamas County ("WICCO") is a legally separate, tax exempt component unit of the County, and is shown as a discretely presented component unit as the nature and relationship with the County is significant and to exclude it would cause the County's financial statements to be misleading. The BCC serves as the chief elected official of the County, and serves as the governing board for the blended component units. However, the County has no financial benefit or burden relationship with WICCO, County management has no operational responsibility for WICCO, services provided by WICCO are not entirely, or almost entirely, to the benefit of the County, and WICCO has no debt expected to be repaid by the County. As a result, WICCO is a discretely presented component unit.

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

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

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

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

Clackamas County Extension and 4-H Service District

Clackamas County Extension and 4-H Service District was organized under provisions of ORS Chapter 451 to provide financing to Oregon State University educational agricultural extension programs in Clackamas County.

Library District of Clackamas County

Library District of Clackamas County was organized under provisions of ORS Chapter 451 to provide financial support to the library service providers of Clackamas County in order to operate city libraries.

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.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Workforce Investment Council of Clackamas County, Inc., dba Clackamas Workforce Partnership

Workforce Investment Council of Clackamas County, Inc., dba Clackamas Workforce Partnership ("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. WICCO is a legally separate entity, with a 501(c)(3) status, created due to the Workforce Investment Act of 1998 and for the administration of the WIA grants for Region 15. Although the BCC appoints the voting majority of the organization's board members and provides one County employee to serve on WICCO's audit committee, there is no financial benefit or burden relationship with the County. The BCC does not have the power to remove employees, modify budgets, influence day to day operations, or actively exercise approval of the budgets. However, the BCC does have the right to terminate WICCO, in accordance with section V.C.3c(iv) of the Memorandum of Agreement dated June 17, 2010. For this reason, WICCO is included in the basic financial statements as a discretely presented component unit. 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.

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. Since neither the County nor the Authority own any assets or assume any liabilities associated with the repayment, there is no balance sheet disclosure or recognition with the County's financial statements.

Clackamas County Vector Control District

Clackamas County Vector Control District ("District") is responsible for the prevention, control or eradication of public health vectors and vector habitats within the District and for the control of predatory animals within the District. The District is not included in the basic financial statements. Although the BCC appoints the voting majority of the District's Board of Trustees and provides annual duties of supervision, no financial burden or benefit relationship exists between the District and the County. A copy of their financials may be obtained by writing to Clackamas County Vector Control District, 1102 Abernethy Road, Oregon City, Oregon, 97045.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position 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.

Net position is reported as restricted when constraints placed on net position 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 governmental 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.
- Road Fund – The Road Fund accounts for revenue and expenditures related to road construction, road maintenance, engineering, and bridge maintenance. Funding for these projects primarily come from state taxes from motor vehicle use. This Fund did not meet the requirement but is elected to be a major fund to be consistent similarly sized county governments.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- Sheriff 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, and the primary source of revenue is committee property taxes as well as a combination of fee revenue and grant agreements.
- Clackamas Town Center Tax Increment Fund – This fund accounts for property tax increment revenues for the Clackamas Town Center Urban Renewal District. When debt is outstanding this fund records the payment of principal and interest on long-term indebtedness for the District. This Fund did not meet the requirement but is elected to be a major fund to be consistent with prior years.
- DTD Capital Projects Fund – This fund accounts for all project related capital outlay within the Department of Transportation and Development, excluding projects which are funding by component units. Projects are predominantly infrastructure in nature and include road network upgrades and capacity improvements. Funding primarily comes from intergovernmental revenue. This Fund did not meet the requirement but is elected to be a major fund due to its importance to the County.

The County reports the following major proprietary funds:

- Clackamas County Service District No.1 - This fund accounts for construction and operation of a sanitary sewer system in a particular "urbanized but unincorporated" area of Clackamas County, Oregon. Sewerage charges and connection charges are the primary revenue source.
- Tri-City Service District - This Fund accounts for operation of a sanitary sewerage system within the incorporated areas of the Cities of Oregon City, West Linn and portions of Gladstone. Sewerage charges and connection charges are the primary revenue source.
- Housing Authority of Clackamas County - This fund is primarily supported by federal programs and accounts for provision of low-cost housing to individuals meeting criteria established by the U.S. Department of Housing and Urban Development ("HUD").

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.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- 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 medical, dental and short-term disability, general liability, workers' compensation and unemployment self-insured programs, employee assistance programs, pension plan, postemployment benefits, along with printing, communications, equipment, vehicle and facilities management programs provided to other departments on a cost-reimbursable basis.
- Enterprise Funds - These funds account for lighting, surface water management, broadband utility and golf operations.

Fiduciary:

- Damascus Successor Private Purpose Trust Fund – Following the May 17, 2016 voter approved disincorporation of the City of Damascus (Damascus), as disclosed in Note 21, this private purpose trust fund is used to pay certain obligations related to transitioning Damascus employees to the County payroll (for up to one year), the continuation of law enforcement and other services that will be integrated in the County's structure. Once all obligations are realized, unspent money will be refunded to property taxpayers (who meet certain criteria) based on prior property taxes paid.
- Sheriff's Office Independent Retiree Medical Trust – This trust fund accounts for health and welfare benefits accumulated for eligible sheriff's office retirees and their dependents. The trust is an independent, irrevocable trust governed by a separate board of trustees and administered on behalf of a third party administrator.
- Agency Fund - This fund accounts 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The government-wide financial statements, including the discretely presented component unit, WICCO, the proprietary financial statements, and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded 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 are recognized in the fiscal year in which all eligibility requirements have been satisfied if received timely enough to pay the related payables at year-end.

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 position 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, interest, and certain intergovernmental revenues 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, claims and judgments, compensated absences, and other post-employment benefits, 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.

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.

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 blended 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 fair value, which approximates cost. 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 reported at fair value, which approximates cost and its share value. The individual funds' and component units' portion of the pool's fair value are presented as "Cash and Investments" 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.

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, taxes, assessments, grants, notes and loans 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.

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Held for Sale

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

Capital Assets

Purchased or constructed capital assets, including property, plant and equipment, infrastructure (roads, bridges, drainage systems, and street lighting), right of ways and easements, are reported at cost or estimated historical cost in the government-wide financial statements. The County defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year.

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 equipment, vehicles, real property acquisitions, improvements, and infrastructure are recorded as capital outlay. Donated assets are recorded at their acquisition value at the date of donation. 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
Sewage Treatment Plants and Line System	20 to 50 years
Roads	10 to 20 years
Bridges	50 years
Drainage Systems	25 years
Street Lighting	20 years
Equipment	5 to 15 years
Vehicles	5 to 10 years
Software	5 years
Easements	stipulated life of the easements

WICCO capitalizes property and equipment at historical cost with a cost of \$5,000 or more and an estimated life of one year or more. 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 7 years.

Intangible assets include purchased and internally developed software and easements of a stipulated life (non-permanent). These assets are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method over the life.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

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 Position. Bond premiums and discounts 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 expensed when incurred.

In the governmental fund financial statements, bond premiums and discounts are recognized as other financing sources (uses) 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.

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 funds incurring salary costs. Expenditures for liquidating the liabilities are recorded in the General, Special Revenue, Capital Projects, Enterprise and Internal Service Funds. A portion of the balance of compensated absences, generally utilized within one year, is reported in the Statement of Net Position as current. The remaining balance is classified as long-term.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for *deferred outflows of resources*, which represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The County's deferred outflow of resources is deferred amounts of \$6,734,663 from refunded debt and \$145,248,361 from pension items relating to differences between expected and actual experience, changes of assumptions, net difference between projections and actual earnings on investments, changes in proportionate share, differences between employer contributions and proportionate share of system contributions, and contributions made subsequent to the measurement date. These deferred outflows of resources are reported in the government-wide statement of net position and also in the proprietary funds statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The pension items are explained further in Note 14.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

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

In addition to liabilities, the balance sheet reports a separate section for *deferred inflows of resources*, which represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County's deferred inflow of resources of \$11,362,847 is related to changes in proportionate share and differences between employer contributions and proportionate share of system contributions. Deferred inflows of resources are reported in the government-wide statement of net position and also in the proprietary funds statement of net position. Also reported is unavailable revenue, which is a portion of the County's revenue collected after year-end and meets the recognition in future period's requirement of deferred inflows of resources. The County's deferred inflows of resources from unavailable revenue is \$14,171,488 as reported in the governmental funds balance sheet.

Pension Plan

Substantially all of the County's employees are participants in the Oregon Public Employees Retirement Fund ("OPERF"), a statewide cost sharing defined benefit pension plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits ("OPEB") Obligations

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

Contributions and in-kind donations

Contributions of cash, property or equipment received from other governments are credited to contribution revenue and recorded in the government wide financial statements.

Fund Balance/Net Position

In the government-wide *Statement of Net Position*, the proprietary funds' *Statement of Net Position*, and the fiduciary funds' *Statement of Fiduciary Net Position*, net position is segregated into restricted and unrestricted balances. Restrictions are limitations on how the net position may be used. Restrictions may be placed on net position by an external party that provided the resources, by enabling legislation or by the nature of the asset. The *Net investment in capital assets* component of net position represents total capital assets less accumulated depreciation less debt directly related to capital assets. This amount is reported on the Statement of Net Position and in the financial statements for Proprietary Fund types.

CLACKAMAS COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain revenues derived from specific taxes or other earmarked revenue sources are considered restricted assets. Such revenues include dedicated property taxes, state gas tax, intergovernmental grants, and charges for services which are legally restricted to finance particular functions or activities. In addition, proceeds from general obligation bonds, revenue bonds, and full faith and credit bonds are restricted to support the specific purpose for which the debt was issued. Net position in these resources is reported as restricted on the *Statement of Net Position* and is recorded in separate funds supporting the specific function or operation.

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

Fund Balance/Net Position (Continued)

The County believes the majority of its restricted net position is restricted by enabling legislation. This includes resources such as gas taxes, system development charges, certain restricted property taxes levied under state laws that allow for restricted use of special levies, etc.

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

Fund balance is reported as *Non-spendable* when the resources cannot ever be spent, whether due to legal restrictions (such as corpus) or items not spendable in form such as property held for sale or prepaids.

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

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

Fund balance is reported as *Assigned* by County policy when the County Administrator and Finance Director or designee assign portions of revenue sources or ending fund balance which are not determined to be non-spendable, restricted or committed by formal written notice. Authority is granted to the individuals by the Board of County Commissioners and such authority may only be established, modified or rescinded by the Board.

CLACKAMAS COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance/Net Position (Continued)

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

Under BCC adopted Resolution no. 2011-55, when both restricted and unrestricted fund balance is available for use, the purpose for which that is restricted, the County uses restricted fund balance first, then unrestricted fund balance as needed. When unrestricted fund balance is spent, the County will consider that committed amounts will be reduced first, followed by assigned amounts, and then unassigned amounts last.

Fund balances by classification for the year ended June 30, 2017 were as follows:

	Special Revenue Funds		Debt	Capital	Non-major	Total
	General Fund	Road Fund	Service Fund	Projects Fund		
			Clackamas Town Center Tax Increment Fund	DTD Capital Projects Fund	Funds	
Fund balances:						
Nonspendable:						
Prepaid	\$ 100,236	\$ 1,139	\$ 11,539	\$ -	\$ 592,426	\$ 705,340
Restricted for:						
Culture, education and recreation	-	-	-	-	30,120,533	30,120,533
Debt service	-	-	-	30,095,874	-	30,095,874
Economic development	-	-	-	-	4,765,853	4,765,853
Health and human services	-	-	-	-	21,343,150	21,343,150
Public protection	66,165,794	-	-	-	2,462,096	68,627,890
Public ways and facilities	-	22,463,506	-	-	30,955,370	53,418,876
Committed to:						
Public protection	-	-	3,541,584	-	3,353,423	6,895,007
Assigned to:						
Culture, education and recreation	-	-	-	-	3,502,487	3,502,487
Debt service	-	-	-	-	121,676	121,676
Economic development	-	-	-	-	617,292	617,292
Health and human services	-	-	-	-	26,398,252	26,398,252
Public protection	-	-	-	-	3,970,705	3,970,705
Public ways and facilities	-	-	-	3,304,119	11,801,670	15,105,789
Unassigned:	34,464,712	-	-	-	-	34,464,712
Total fund balances	<u>\$ 100,730,742</u>	<u>\$ 22,464,645</u>	<u>\$ 3,553,123</u>	<u>\$ 30,095,874</u>	<u>\$ 140,004,933</u>	<u>\$ 300,153,436</u>

CLACKAMAS COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

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

New Accounting Pronouncements

During the fiscal year ended June 30, 2017, the County implemented the following GASB pronouncements:

GASB Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The purpose of this Statement is to provide guidance for defined benefit pensions and for defined contribution pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The County's pension plans are within the scope of Statement 68. As a result, there is no impact in the current year as a result of the application of this Statement.

GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. The purpose of this Statement is to provide guidance for other postemployment benefits (OPEB) plans, defined benefit and defined contribution, administered through trusts that meet the specified criteria. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria. The Sheriff's Office Independent Retiree Medical Trust meets the criteria established. See Note 20 for more information.

GASB Statement No. 77, Tax Abatement Disclosures. This statement defines tax abatements and contains required disclosures about a reporting government's own tax abatement agreements and those that are entered into by other governments that reduce the reporting government's tax revenues. See Note 19 for more information.

GASB Statement No. 80 – Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14. The purpose of this Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The County's discretely presented component unit, WICCO, does not meet the criteria established. There is no impact on the financial statements in the current year as a result of the application of this Statement.

GASB Statement No. 82 – Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73. The purpose of this Statement is to provide guidance relating to the definition of covered payroll included in Required Supplementary Information (RSI). The pronouncement also clarifies that a deviation from actuarial standards is not considered to be in conformity with the requirements of GASB 67 or 68 for selection of assumptions in determining the total pension liability. Finally, the Statement clarifies employer-paid member contributions should not be treated as a pension expense. See Note 14 Pension Plan and the RSI section for additional information.

CLACKAMAS COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

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

GASB Statements No. 75, 81, 83, 84, 85, 86, and 87 – These are other pronouncements that have been issued by the GASB and are not required to be implemented until a future year. These pronouncements have not been early implemented by the County.

2. **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Budgetary Information

Annual budgets are adopted on a basis consistent with ORS 294 – Local Budget Law and accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

The following funds had excess expenditures over appropriations for the fiscal year-end:

	<u>Amount</u>
General Fund	
Treasurer	\$ 3,610
Debt service	38,964
North Clackamas Revitalization Area Fund	
Special payments	20,982
Clackamas Broadband Utility Fund	
Special payments	9,106

Deficit Fund Balances/Net Position

The following funds had a deficit fund balance at year-end due to accruals for vacation leave, net pension liability, and OPEB. These are not a violation of state laws.

	<u>Amount</u>
Internal Service Funds:	
Records Management Fund	(169,114)
Facilities Management Fund	(708,023)
Central Dispatch Fund	(2,366,195)
Technology Services Fund	(223,087)

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

3. CASH AND INVESTMENTS

Cash and investments are comprised of the following:

Deposits with financial institutions:	
Demand deposits	\$ 105,371,560
Money Market	29,354,113
Investments with US Agencies	150,650,887
Investments with Time/Interest Bearing Deposits	3,006,553
Investments with LGIP	139,342,852
	<u>\$ 427,725,965</u>

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

	Governmental Activities	Business-Type Activities	Total Primary Government	Fiduciary Activities	Total Government
Unrestricted	\$ 246,991,373	\$ 64,485,982	\$ 311,477,355	\$ 17,731,406	\$ 329,208,761
Restricted	64,959,876	33,557,328	98,517,204	-	98,517,204
Total	<u>\$ 311,951,249</u>	<u>\$ 98,043,310</u>	<u>\$ 409,994,559</u>	<u>\$ 17,731,406</u>	<u>\$ 427,725,965</u>

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, 2017, and for the year then ended, the County was in compliance with the aforementioned State of Oregon statutes.

Cash for WICCO at June 30, 2017 consisted of demand deposits with financial institutions in the amount of \$55,848, which were covered by federal depository insurance.

Deposits

At year end, the carrying amount of the County's deposits with financial institutions was \$134,725,673 and the bank balance was \$140,581,656. As required by ORS, deposits in excess of federal depository insurance were held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the office of the State Treasurer.

Policies

The County has adopted investment policies to address credit risk, concentration of credit risk, and custodial credit risk – deposits which mirror parameters for the investment of public funds set forth in the ORS.

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

3. CASH AND INVESTMENTS (Continued)

Fair Value Hierarchy

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

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

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County has recorded its investments at fair value, and primarily uses the Market Approach to valuing each security. The County applies fair market value updates to its securities on a daily basis. Security pricing is provided by a third-party, and is reported daily to the County by its custodian bank. Assets are categorized by asset type, which is a key component of determining hierarchy levels. Asset types allowable per the County's investment policy generally fall within hierarchy level 1 and 2.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

3. CASH AND INVESTMENTS (Continued)

The County has the following recurring fair value measurements as of June 30, 2017:

	Totals as of June 30, 2017	Fair Value Measurements Using			Cost Measurement
		Quoted Prices Active Markets in Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Using
		Level 1	Level 2	Level 3	Not measured at Fair Value
Investments Measured at Fair Value:					
US Agencies	\$ 101,856,016	\$ -	\$ 101,856,016	\$ -	\$ -
Corporate Bonds	43,349,571	-	43,349,571	-	-
Strip Bonds	5,445,300	-	5,445,300	-	-
Time/Interest Bearing Deposits	3,006,553	-	-	-	3,006,553
Local Government Investment Pool	139,342,852	-	-	-	139,342,852
TOTAL	\$ 293,000,292	\$ -	\$ 150,650,887	\$ -	\$ 142,349,405

Interest Rate Risk

As of June 30, 2017, the County had the following investments subject to duration. The county manages its exposure to fair value losses arising from increasing interest rates by managing the modified duration of its investment portfolio.

Investment Type	Market Value	Modified Duration
US Agencies, coupon	\$ 101,856,016	1.458
Other Agencies	43,349,571	1.489
US Treasury, discount	5,445,300	0.334
Commercial Paper	3,006,553	1.192
Local Government Investment Pool	139,342,852	-
Total fair value	\$ 293,000,292	
Portfolio modified duration		1.371

The County is in compliance with its interest rate risk policy, which minimizes the risk that the market value of securities in the County portfolio will fall due to change in general interest rates.

Credit Risk

ORS limit the types of investments that the County may have. The County is in compliance with these statutes at June 30, 2017. 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.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

3. CASH AND INVESTMENTS (Continued)

Credit Risk (Continued)

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 national statistical rating organization

The State of Oregon Local Government Investment Pool is unrated. The majority of the U.S. Government Agency obligations are rated AAA and the remainder are unrated.

Custodial Credit Risk

Custodial credit risk on deposits is the risk that in the event of a bank failure, the County's deposits may not be returned. In order to minimize this risk, state statutes require banks holding public funds be member of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created and administered by the Office of the State Treasurer. To qualify, participating banks must pledge collateral against any public fund deposit in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits. The required pledge percentage is based in part on an individual bank's net worth and level of capitalization. As of June 30, 2017, all of the County deposits are insured or collateralized or covered under the Oregon collateral program as mentioned above, and therefore, are not subject to 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, who holds the securities in the County's name. As of June 30, 2017, all of the County deposits are insured or collateralized and therefore, are not subject to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The 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, 2017, the County did not hold any investments with any one issuer that exceeded these limits.

4. 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%.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

5. NOTES AND LOANS RECEIVABLE

Notes and loans receivable at June 30, 2017, including the applicable allowance for uncollectible accounts are as follows:

	Gross Notes and Loans Receivable	Uncollectible Allowance Rate	Uncollectible Allowance	Notes and Loans Receivable, net
Governmental Activities:				
<u>Non-Major Governmental Funds</u>				
Owner-Occupied rehab loans receivable				
Community Development Fund	\$ 4,218,477	31.00%	\$ 1,307,728	\$ 2,910,749
Other Funds	526,035	85.59%	450,247	75,788
Multi-Family housing rehab or new construction loans receivable				
Community Development Fund	15,628,135	41.00%	6,407,535	9,220,600 *
Other Funds	103,707	55.82%	57,887	45,820
Homebuyer Assistance Program loans receivable				
Community Development Fund	4,407,199	42.00%	1,851,024	2,556,175
Other Funds	25,000	0.00%	-	25,000
Contracts Receivable				
Other Funds	493,333	0.00%	-	493,333
	<u>25,401,886</u>		<u>10,074,421</u>	<u>15,327,465</u>
* HACC loan receivable (included above in Multi-Family housing rehab or new construction)	857,078	0.00%	-	857,078
	<u>\$ 24,544,808</u>		<u>\$ 10,074,421</u>	<u>\$ 14,470,387 *</u>

This Interfund loan is eliminated from Notes and Loans Receivable, net balance on Statement of Net Position. See Note 12 for details.

Business-Type Activities:				
Housing Authority of Clackamas County notes receivable	\$ 28,118,341	-	\$ -	\$ 28,118,341
Clackamas County Service District No. 1 notes receivable	951,410	-	-	951,410
	<u>\$ 29,069,751</u>		<u>\$ -</u>	<u>\$ 29,069,751</u>

Loans receivable

Loans receivable, net of an allowance, represent uncollected amounts of loans to qualified borrowers for rehabilitation and restoration of single and multi-family residences which are collateralized by real property. The loan loss allowance is comprised of historical evidence of past uncollectible amounts based upon each program offered.

Notes receivable

The Notes receivable balance resulted from HACC's sale of the Easton Ridge Apartments to Easton Ridge LLC ("the Project") and is comprised of four main amounts. HACC loaned \$16,603,341 of proceeds from its 2013 Series A bond financing to the Project. The Project has agreed to pay HACC amounts equal to the principal and interest requirements on the 35 year 2013 Series A Bonds. The County has provided a contingent loan agreement in the event earnings from the Project and the principal and interest reserve fund are not sufficient to pay required annual amounts. HACC also has a mortgage loan to the Project in the amount of \$12,235,000 as part of the sale agreement. The mortgage will earn 3.1% interest on the outstanding balance beginning upon completion of the Project rehabilitation construction. Available excess revenues of the Project are to be used to repay interest and principal on the debt annually. The mortgage is contingent on available excess revenue of the Project and does not have specific payment amounts or repayment time terms.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	June 30, 2016	Increases	Decreases	Transfers	June 30, 2017
Governmental activities:					
Capital assets not being depreciated and amortized:					
Land and right of way	\$ 370,139,122	\$ 1,550,251	\$ -	-	\$ 371,689,373
Construction in progress	48,239,360	20,978,651	(349,270)	(11,715,106)	57,153,635
Total capital assets not being depreciated and amortized	<u>418,378,482</u>	<u>22,528,902</u>	<u>(349,270)</u>	<u>(11,715,106)</u>	<u>428,843,008</u>
Capital assets being depreciated and amortized:					
Intangibles	9,797,103	-	(695,319)	-	9,101,784
Buildings and improvements	215,379,132	760,970	-	1,697,562	217,837,664
Equipment	31,319,217	3,750,776	(437,848)	(8,868)	34,623,277
Vehicles	28,807,961	1,318,795	(16,700)	-	30,110,056
Infrastructure	401,308,761	44,016	-	10,017,544	411,370,321
Total capital assets being depreciated and amortized	<u>666,612,174</u>	<u>5,874,557</u>	<u>(1,149,867)</u>	<u>11,706,238</u>	<u>703,043,102</u>
Less accumulated depreciation and amortization for:					
Intangibles	(7,949,513)	(480,926)	587,837	-	(7,842,602)
Buildings and improvements	(82,823,457)	(6,990,584)	-	-	(89,814,041)
Equipment	(22,673,418)	(1,842,411)	440,188	8,868	(24,066,773)
Vehicles	(21,092,276)	(2,559,310)	16,700	-	(23,634,886)
Infrastructure	(236,123,507)	(13,625,718)	-	-	(249,749,225)
Total accumulated depreciation and amortization	<u>(370,662,171)</u>	<u>(25,498,949)</u>	<u>1,044,725</u>	<u>8,868</u>	<u>(395,107,527)</u>
Total capital assets being depreciated and amortized, net	<u>315,950,003</u>	<u>(19,624,392)</u>	<u>(105,142)</u>	<u>11,715,106</u>	<u>307,935,575</u>
Total capital assets, net	<u>\$ 734,328,485</u>	<u>\$ 2,904,510</u>	<u>\$ (454,412)</u>	<u>\$ -</u>	<u>\$ 736,778,583</u>
	June 30, 2016	Increases	Decreases	Transfers	June 30, 2017
Business-type activities:					
Capital assets not being depreciated and amortized:					
Land and right of way	\$ 21,192,907	\$ -	\$ -	\$ -	\$ 21,192,907
Construction in progress	5,504,506	6,767,897	(1,233,956)	(160,095)	10,878,352
Total capital assets not being depreciated and amortized	<u>26,697,413</u>	<u>6,767,897</u>	<u>(1,233,956)</u>	<u>(160,095)</u>	<u>32,071,259</u>
Capital assets being depreciated and amortized:					
Intangibles	3,228,580	-	47,061	-	3,275,641
Buildings and improvements	38,840,166	978,620	-	-	39,818,786
Equipment and vehicles	12,240,313	164,394	105,588	(47,765)	12,462,530
Street lighting poles / Fiber Optic Network	11,318,473	265,205	-	-	11,583,678
Infrastructure	275,000	-	-	-	275,000
Plants and line system	411,423,094	2,999,777	831,470	(114,467)	415,139,874
Total capital assets being depreciated and amortized	<u>477,325,626</u>	<u>4,407,996</u>	<u>984,119</u>	<u>(162,232)</u>	<u>482,555,509</u>
Less accumulated depreciation and amortization for:					
Intangibles	(2,157,745)	(72,984)	-	-	(2,230,729)
Buildings and improvements	(31,177,998)	(796,522)	-	-	(31,974,520)
Equipment and vehicles	(9,473,525)	(499,747)	13,596	47,765	(9,911,911)
Street lighting poles / Fiber Optic Network	(1,395,936)	(565,960)	-	-	(1,961,896)
Infrastructure	(138,617)	(13,760)	-	-	(152,377)
Plants and line system	(207,958,581)	(20,148,024)	-	114,467	(227,992,138)
Total accumulated depreciation and amortization	<u>(252,302,402)</u>	<u>(22,096,997)</u>	<u>13,596</u>	<u>162,232</u>	<u>(274,223,571)</u>
Total capital assets being depreciated and amortized, net	<u>225,023,224</u>	<u>(17,689,001)</u>	<u>997,715</u>	<u>-</u>	<u>208,331,938</u>
Total capital assets, net	<u>\$ 251,720,637</u>	<u>\$ (10,921,104)</u>	<u>\$ (236,241)</u>	<u>\$ -</u>	<u>\$ 240,563,292</u>

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

6. CAPITAL ASSETS (Continued)

Depreciation expense was charged as follows:

Governmental Activities:	
General Government	\$ 1,943,459
Public Protection	261,394
Public Ways and Facilities	21,214,408
Health and Human Services	713,995
Culture, Recreation, and Education	1,346,036
Economic Development	19,657
	<u>\$ 25,498,949</u>
Business-type Activities:	
Sanitary Sewer and Surface Water	\$ 20,545,075
Housing Assistance	791,970
Golf	114,858
Broadband	645,094
	<u>\$ 22,096,997</u>

7. PROPERTY HELD FOR SALE

Property held for sale activity for the year ended June 30, 2017 was as follows:

	Beginning Balance June 30, 2016	Increases	Decreases	Ending Balance June 30, 2017
Governmental activities:				
Road Fund	\$ 2,877,343	\$ -	\$ -	\$ 2,877,343
DTD Capital Projects Fund	379,500	-	(379,500)	-
Non-major governmental funds	8,085,359	222,184	(757,606)	7,549,937
Total	<u>\$ 11,342,202</u>	<u>\$ 222,184</u>	<u>\$ (1,137,106)</u>	<u>\$ 10,427,280</u>

8. SELF-INSURANCE CLAIMS PAYABLE

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. The General Fund, essentially all major and non-major funds, and all blended component units participate in the self-insurance program. The participating funds and blended 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, claim reserves, premiums, and administrative costs of the program. These interfund premiums are used to offset the amount of claims expenditure reported in the risk management fund. As of June 30, 2017, interfund premiums exceeded reimbursable expenditures. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

8. SELF-INSURANCE CLAIMS PAYABLE (Continued)

not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

The County is fully self-insured for unemployment benefits and short-term disability benefits and partially self-insured for dental benefits, medical 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.

The claims liability of \$9,671,863 includes the effects of specific, incremental claim adjustment expenses/expenditures, salvage, and subrogation and other allocated or unallocated claim adjustment expenses/expenditures, if any. Liability claims have not exceeded the maximum amount of self-insurance per claimant in the past three years.

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.

Changes in the total claims liability amount in fiscal 2015, 2016 and 2017 are as follows:

Year Ended June 30,	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2015	5,822,984	18,270,687	14,802,767	9,290,904
2016	9,290,904	28,653,696	28,024,181	9,920,419
2017	9,920,419	24,252,106	24,500,662	9,671,863

This June 30, 2017 balance is included in the Statement of Net Position in accounts and claims payable.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

9. COMPENSATED ABSENCES

Compensated absences are paid by those funds that originally incurred the associated salaries and wages. Compensated absences activity for the year ended June 30, 2017 was as follows:

	Governmental Activities	Business-type Activities
Balance July 1, 2016	\$ 11,831,715	\$ 217,047
Additions	16,060,193	238,557
Payments	<u>(14,886,677)</u>	<u>(223,492)</u>
Balance June 30, 2017	<u>\$ 13,005,231</u>	<u>\$ 232,112</u>
Net Position as follows:		
Current Portion	<u>\$ 11,443,303</u>	<u>\$ 64,416</u>
Long-Term Portion	<u>\$ 1,561,928</u>	<u>\$ 167,696</u>

10. LONG-TERM DEBT

General Obligation Bonds

The County issues general obligation (GO) bonds to finance major construction projects in governmental activities. The 2016 bonds are general obligations of the County, backed by the full faith and credit of the County, in compliance with ORS 287A.315. The County will levy, annually, as provided by law, in addition to its other ad valorem (general) property taxes, a district ad valorem tax upon all of the taxable property within the County in sufficient amount, to repay the 2016 general obligations.

On December 1, 2016, the County issued \$59,000,000 in GO bonds for the replacement of the Clackamas 800 Radio Group's (an ORS 190) current emergency communications system and to expand existing radio coverage. Of the total bond issuance, \$5,845,000 is taxable GO bonds (Series 2016A) and \$53,155,000 is tax exempt GO bonds (Series 2016B), with a premium of \$7,165,794 and an average coupon rate of 3.62%. The bonds have an all-in true interest cost of 2.23%. The Board of County Commissioners approved an intergovernmental agreement with Clackamas 800 Radio Group's to reimburse the agency for their capital construction costs. The assets and maintenance thereof belong entirely to the agency.

GO bonds outstanding as of June 30, 2017 are as follows:

Governmental Activities	Original Borrowing	Interest Rates	Final Maturity	Outstanding June 30, 2017	Principal Due in a Year
General Obligation Bonds:					
GO bonds (Series 2016A)	\$ 5,845,000	0.900% to 1.500%	2020	\$ 5,845,000	\$ 1,215,000
GO bonds (Series 2016B)	53,155,000	3.000% to 5.000%	2031	<u>53,155,000</u>	<u>-</u>
				<u>59,000,000</u>	<u>1,215,000</u>
			Premium	6,814,844	601,628
				<u>\$ 65,814,844</u>	<u>\$ 1,816,628</u>

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

10. LONG-TERM DEBT (Continued)

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

Year Ending June 30	Governmental Activities GO Bonds	
	Principal	Interest
2018	\$ 1,215,000	\$ 3,256,636
2019	2,530,000	2,160,155
2020	2,775,000	2,132,325
2021	3,050,000	2,067,075
2022	3,375,000	1,914,575
2023-2027	21,995,000	6,712,875
2028-2032	24,060,000	1,885,725
	<u>59,000,000</u>	<u>\$ 20,129,366</u>
Premium	6,814,844	
	<u>\$ 65,814,844</u>	

Full Faith and Credit Bonds

The County issues full faith and credit bonds to finance major construction projects. The bonds are backed by the full faith and credit of the County, within the limitations of Article XI of the Oregon Constitution, and are to be repaid from existing revenue sources.

Full Faith and Credit Bonds outstanding at year-end are as follows:

FFCO Bancroft Limited Tax Assessment Bond, 2000 Issue – Original issue amount of \$5,143,000 used to refinance costs of the County's Altamont Local Improvement District Project. Remaining semi-annual payments are approximately \$223,388 until 2015, after which point they become approximately 128,700. Remaining principle payments are \$1,515,000 in 2015 and \$1,980,000 in 2020. The final payment is scheduled on May 1, 2020.

FFCO Series 2007 – Original issue amount of \$49,990,000 used to finance various County projects which include the Development Services Building, Central Utility Plant, Utilidor, Central Plaza, Road Projects, and Property Acquisition. Remaining annual principal and semi-annual interest payments are approximately \$3,769,000 per year with final payment scheduled on June 1, 2027.

North Clackamas Parks and Recreation District FFCO, Series 2008 – Original issue amount of \$8,000,000 used to acquire and develop approximately 32 acres of land in City of Happy Valley for District facilities. Remaining annual principal and semi-annual interest payments are approximately \$563,000 per year with final payment scheduled on December 1, 2027.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

10. LONG-TERM DEBT (Continued)

Full Faith and Credit Bonds (Continued)

FFCO Series 2009 – Original issue amount of \$34,795,000 used to finance County projects, which include Sunnybrook Service Center Remodel, Clackamas County Jail Renovation and System Upgrades, Evidence Processing Facility, and Development Services Building Completion reimbursement. Remaining annual principal and semiannual interest payments are approximately \$2,609,000 per year with final payment scheduled on June 1, 2029.

North Clackamas Parks and Recreation District Limited Tax revenue Refunding Series 2010 – Original issue amount of \$5,660,000 used to refund all of the District's Limited Tax Revenue refunding Bonds, Series 2000. Remaining annual principal and semi-annual interest payments are approximately \$494,000 per year with final payment scheduled on March 1, 2025.

Clackamas County Series 2011 – Original issue amount of \$6,000,000 used to finance road and sewer projects, which include Public Improvements, Preservation and Rehabilitation, Development and Redevelopment, Housing Development, Below Market Interest Rate Loans and Incentives, Property Acquisition and Disposition, and Plan Administration. Remaining annual principal and semi-annual interest payments are approximately \$555,000 per year with final payment scheduled on January 15, 2026.

FFCO Refunding Series 2012 – Original issue amount of \$18,875,000 used to refund all or a portion of the Series 2003 and Series 2004 Obligations. Remaining annual principal and semi-annual interest payments are approximately \$1,358,000 per year with final payment scheduled on June 1, 2033.

FFCO Series 2012 – Original issue amount of \$20,080,000 used to finance the County's contribution for a portion of the TriMet Portland Milwaukie Light Rail extension. Remaining annual principal and semi-annual interest payments are approximately \$1,315,000 per year with final payment scheduled on July 1, 2027.

Governmental Activities	Original Borrowing	Interest Rates	Final Maturity	Outstanding June 30, 2017	Principal Due in a Year
Full Faith and Credit Bonds:					
Bancroft Limited Tax Assessment Bond (Series 2000)	\$ 5,143,000	5.100% to 6.500%	2020	\$ 1,400,000	\$ -
Various county capital projects (Series 2007)	49,990,000	4.000% to 5.000%	2027	30,295,000	2,490,000
NCPRD to acquire and develop land (Series 2008)	8,000,000	3.000% to 4.000%	2027	5,160,000	380,000
Various county capital projects (Series 2009)	34,795,000	2.000% to 4.000%	2029	24,305,000	1,600,000
NCPRD Limited Tax Revenue (Refunding) (Series 2010)	5,660,000	2.000% to 4.000%	2025	3,340,000	370,000
Finance road and sewer projects, Urban Renewal (Series 2011)	6,000,000	4.400%	2026	4,055,000	375,000
FFCO (Refunding) (Series 2012)	18,875,000	2.500% to 5.000%	2033	16,465,000	710,000
Portland-Milwaukie Light Rail Project (Series 2012)	20,080,000	2.740%	2027	17,035,000	860,000
				<u>102,055,000</u>	<u>6,785,000</u>
				Premium 2,214,333	171,720
				Discount (90,613)	(11,573)
				<u>\$ 104,178,720</u>	<u>\$ 6,956,720</u>

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

10. LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for Full Faith and Credit bonds are as follows:

Year Ending June 30	Governmental Activities FFC Bonds	
	Principal	Interest
2018	\$ 6,785,000	\$ 6,835,662
2019	7,085,000	5,510,289
2020	8,790,000	5,209,078
2021	7,730,000	4,766,636
2022	8,075,000	4,331,309
2023-2027	43,445,000	14,370,814
2028-2032	18,740,000	3,078,905
2033-2036	1,405,000	43,906
	<u>102,055,000</u>	<u>\$ 44,146,599</u>
Premium	2,214,333	
Discount	(90,613)	
	<u>\$ 104,178,720</u>	

Advance Refunding / Defeasance

On September 6, 2012, the County issued \$18,280,000 (Series 2012 bonds), which was used to advance refund all of the Series 2003 and Series 2004 bonds. Net proceeds of \$18,875,000 were used to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on the portion refunded. As a result, the Series 2003 and Series 2004 bonds are considered defeased and the liability for those bonds has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,890,000. The amount is being netted against the new debt and amortized over the remaining life of the new debt. The advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$323,881 and resulted in an economic gain (difference between the present values of the old and net debt service payments) of \$277,698.

Revenue Bonds

The County issues revenue bonds to finance major construction projects in business-type activities. The revenue bonds are not backed by the full faith and credit of the County, but rather, are secured by a pledge of certain revenues and receipts.

CLACKAMAS COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

10. LONG-TERM DEBT (Continued)

Revenue Bonds (Continued)

Revenue bonds outstanding at year-end are as follows:

HACC Revenue Bonds, Series 2013A – HACC issued revenue bonds in the original amount of \$16,550,000 to finance the rehabilitation of the Easton Ridge Apartments (the Project). Remaining annual principal and semi-annual interest payments are approximately \$890,000 per year with final payment scheduled on September 1, 2049. The Project's assets, all net operating income and certain other revenues of HACC, are pledged as collateral.

Clackamas County Service District No. 1, Series 2002A – The Original issue amount of \$2,698,000 was used to finance certain capital improvements to the District's sanitary sewage system. District's revenue from the sewer system is pledged as collateral. Under the revenue bonds agreements, the District 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 June 30, 2017.

Clackamas County Service District No. 1, Series 2009A - Original issue amount of \$38,460,000 used to finance certain capital improvements to the District's sanitary sewage system. Remaining annual principal and semi-annual interest payments are approximately \$2,600,000 per year with final payment scheduled on December 1, 2033. The District's revenue from the sewer system is pledged as collateral.

Clackamas County Service District No. 1, Series 2009B - Original issue amount of \$44,365,000 used to finance certain capital improvements to the District's sanitary sewage system. Remaining annual principal and semi-annual interest payments are approximately \$2,900,000 per year with final payment scheduled on December 1, 2034. The District's revenue from the sewer system is pledged as collateral.

Clackamas County Service District No. 1, Series 2010 - Original issue amount of \$23,710,000 used to finance certain capital improvements to the District's sanitary sewage system. Remaining annual principal and semi-annual interest payments are approximately \$1,500,000 per year with final payment scheduled on December 1, 2035. The District's revenue from the sewer system is pledged as collateral.

In August of 2016, Clackamas County Service District No. 1 issued revenue obligation series 2016 in the amount of \$83,250,000 with an all-in interest rate of 2.20%. The proceeds were used to advance refund \$77,070,000 of outstanding 2009A, 2009B, and 2010 revenue obligations and to pay off outstanding Oregon DEQ Clean Water State Revolving Fund Loan R22403, which has interest rates ranging from 2.77% to 4.7%. The net proceeds of \$85,876,532 (including a \$10,523,115 premium and after payment of \$1,519,115 in underwriting fees and other issuance costs and the payoff of Loan R22403 in the amount of \$6,377,468) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, portions of the 2009A, 2009B, and 2010 are considered defeased and the liability for those bonds has been removed from the statement of net position.

CLACKAMAS COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

10. LONG-TERM DEBT (Continued)

Revenue Bonds (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by \$8,826,731. This amount is being reported in the statement of net position as a deferred outflow of resources and amortized over the remaining life of the refunded debt in accordance with GASB 65. The District advance refunded portions of the 2009A, 2009B, and 2010 bonds and refinanced Loan R22403 to reduce its total annual debt service payments by approximately \$625,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$9.7 million. The District was also able to free up approximately \$7.6 million in reserves that will be used on capital projects.

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

Business-Type Activities	Original Borrowing	Interest Rates	Final Maturity	Outstanding June 30, 2017	Principal Due in a Year
Revenue bonds:					
Clackamas County Service District No. 1, Series 2002A	\$ 2,698,000	3.000% to 4.875%	2023	\$ 840,000	\$ 140,000
Clackamas County Service District No. 1, Series 2009A	38,460,000	2.000% to 4.700%	2033	2,370,000	1,160,000
Clackamas County Service District No. 1, Series 2009B	44,365,000	2.250% to 5.000%	2034	4,245,000	1,360,000
Clackamas County Service District No. 1, Series 2010	23,710,000	2.000% to 4.625%	2036	3,255,000	790,000
Clackamas County Service District No. 1, Series 2016	83,250,000	2.000% to 5.000%	2033	82,235,000	280,000
HACC, Series 2013A	16,550,000	1.750% to 4.000%	2049	16,075,000	245,000
				<u>109,020,000</u>	<u>3,975,000</u>
				Premium	10,050,282
					<u>\$ 119,070,282</u>
					<u>\$ 3,975,000</u>

Future pledged revenues for outstanding revenues bonds are as follows:

Business-Type Activities	Revenue Stream	For the Year Ending June 30, of 2017	Future Pledged Revenue Debt Outstanding	For the Year Ended June 30, 2017	For the Year Ended June 30, 2017
Purpose		Final Payments		Revenue	Debt (P&I) Payments
CCSD#1 - State Loan R06224	Sewer Fees	2033	\$ 1,646,239	\$ 20,330,209	\$ 106,208
CCSD#1 - Revenue Bonds 2002A	Sewer Fees	2023	840,000	-	183,400
CCSD#1 - Revenue Obligations 2009A	Sewer Fees	2019	2,370,000	-	1,247,750
CCSD#1 - Revenue Obligations 2009B	Sewer Fees	2020	4,245,000	-	1,556,100
CCSD#1 - Revenue Obligations 2010	Sewer Fees	2021	3,255,000	-	923,850
CCSD#1 - Revenue Obligations 2016	Sewer Fees	2033	82,235,000	-	2,528,169
Total CCSD#1			<u>94,591,239</u>	<u>20,330,209</u>	<u>6,545,477</u>
HACC - Revenue Bonds 2013A	Project assets, net operating income	2049	16,075,000	-	863,100
Total			<u>\$ 110,666,239</u>	<u>\$ 20,330,209</u>	<u>\$ 7,408,577</u>

* Same revenue source pledged for multiple purposes. Total gross revenues of \$37,309,283 less total operating expenses of \$16,979,074.

CLACKAMAS COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

10. LONG-TERM DEBT (Continued)

Revenue Bonds (Continued)

Annual debt service requirements to maturity for Full Faith and Credit bonds are as follows:

Year Ending June 30	Business-Type Activities Revenue Bonds	
	Principal	Interest
2017	\$ 3,975,000	\$ 3,938,726
2018	4,105,000	3,802,666
2019	4,180,000	3,643,066
2020	4,340,000	3,451,294
2021	4,540,000	3,236,568
2022-2026	26,350,000	12,499,969
2027-2031	32,120,000	6,724,728
2032-2036	20,265,000	2,824,913
2037-2041	2,700,000	1,621,000
2042-2046	3,280,000	1,037,000
2047-2049	3,165,000	290,400
	<u>109,020,000</u>	<u>\$ 43,070,330</u>
Premium	10,050,282	
	<u>\$ 119,070,282</u>	

Loans and Contracts Payable

Pursuant to the bond documents, HACC is subject to certain restrictive covenants related to the use of bond proceeds and other funds provided by operations of the Project. The contingent loan agreement with the County requires Easton Ridge LLC to maintain a 1.10 to 1.0 debt service coverage once the Project achieves stabilization. The operating agreement requires that in order to eliminate the operating deficit contribution requirement, HACC establish and collect rents sufficient to produce a Required Debt Service Coverage on the Series A bonds of at least 1.20 to 1 for two consecutive years, beginning at least three years after project stabilization. A failure to maintain the above ratios does not constitute a default.

The County has the following Governmental Activities loans and contracts payable:

ODOT Loan No. 0029 – Original issue amount of \$12,250,000 used to finance transportation projects. Remaining semi-annual interest payments and annual principal payments are approximately \$564,000 with final payment scheduled on May 15, 2020. The loan is payable from the pledged revenues from the Transportation System Development Charges. The loan was paid off early in the current year and has no outstanding balance as of June 30, 2017

CLACKAMAS COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

10. LONG-TERM DEBT (Continued)

Loans and Contracts Payable (Continued)

Loan Payable – North Station – Original issue amount of \$5,365,420 used to finance law enforcement facilities, known as the North Station. Remaining semi-annual interest payments and annual principal payments are approximately \$180,000 a year with final payment scheduled on June 1, 2026.

WES Note Payable – Original issue amount of \$1,720,400 to purchase ownership interest of Brooks Building. Interest payments total approximately \$229,000 and may be paid annually with principal payment scheduled on December 31, 2022.

The County has the following Business-Type Activities loans and contracts payable:

Clean Water State Revolving Fund, Loan Agreement No. R06224 – Original issue amount of \$4,000,000 used to finance the Wastewater Collector Sewers project. Remaining semi-annual principle payments are approximately \$100,000 a year with annual fees of approximately \$8,000 a year. The final payment is scheduled for June 1, 2031. Clackamas County Service District No. 1 has irrevocably pledged its Net Operating Revenues to pay the amounts due under this loan Agreement.

HACC: Mortgage Notes Payable – Various original issue amounts totaling \$655,742 used to purchase low income housing. Remaining semi-annual interest payments and annual principal payments are approximately \$20,500 with final payments scheduled in fiscal year 2027. The mortgage notes are payable from rents received and the net cash flows from operations.

HACC: Loans Payable - Original issue amount of \$176,850 used for the purchase, construction, repair and improvement of property. Remaining semi-annual interest payments and annual principal payments are approximately \$19,500 with final payment scheduled in fiscal year 2025. The loans payable include amounts due to Farmers Home Administration and the State of Oregon. A certain portion of the loans from the state are forgiven yearly as long as HACC operates the facilities as low-income housing. If HACC stops operating the facilities as low income housing, the loans become payable when HACC sells the property. The Loan from Farmers Home Administration is collateralized by the property and is payable monthly over the next 14 years.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

10. LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for loans and contracts payable are as follows:

Loans and Contracts Payable outstanding at year-end are as follows:

Governmental Activities	Interest Rates	Ending Balance
Loans and Notes:		
Loan Payable - North Station	4.300% to 5.600%	1,240,000
WES Note payable	4.325%	848,294
		<u>\$ 2,088,294</u>
Business-Type Activities	Interest Rates	Ending Balance
Loans and Notes:		
CCSD1 - Loan Agreement No. R06224	0.00%	\$ 1,646,239
HACC: Mortgage Notes Payable	5.000% to 11.000%	133,599
HACC: Loans Payable	0.000% to 11.000%	88,182
		<u>\$ 1,868,020</u>

Loans and Contracts Payable outstanding at year-end are as follows:

Year Ending June 30	Governmental Activities Loans and Notes Payable		Business-Type Activities Loans and Notes Payable	
	Principal	Interest	Principal	Interest
2018	\$ 110,000	\$ 71,920	\$ 152,083	\$ 172,149
2019	115,000	65,540	122,354	163,629
2020	120,000	58,870	122,746	154,873
2021	130,000	93,670	123,162	145,873
2022	135,000	227,451	123,603	136,621
2023-2027	1,478,294	-	577,128	535,039
2028-2032	-	-	601,170	261,763
2033-2035	-	-	-	19,395
Undetermined	-	-	45,774	-
	<u>\$ 2,088,294</u>	<u>\$ 517,451</u>	<u>\$ 1,868,020</u>	<u>\$ 1,589,342</u>

Conduit Debt

The County has issued conduit debt for the Hospital Facility Authority of Clackamas County. The aggregate outstanding amount is \$105,825,000 at June 30, 2017. The County has no obligation for repayment of this debt.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

10. LONG-TERM DEBT (Continued)

Legal Debt Margin

The County follows ORS 287A provisions for limitations on bonded indebtedness. The provision states a county may not issue or have outstanding at the time of issuance general obligation bonds in a principal amount that exceeds two percent of the real market value of the taxable property in the County, or \$63,251,203,000. The County has \$59,000,000 or 0.093% of general obligation bonds issued as of June 30, 2017. The amount of revenue bonds or full faith and credit bonds permitted by the provision is one percent of the real market value of all taxable property in the county or \$63,251,203,000. The County has full faith and credit obligations of \$102,055,000 or 0.161% of the real market value of all taxable property, and revenue bond obligations of \$109,020,000 or 0.172% of the real market value of all taxable property as of June 30 2017, and is in compliance with the legal debt margin requirements.

Changes in Noncurrent Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 11,831,715	\$ 16,060,193	\$ (14,886,677)	\$ 13,005,231	\$ 11,443,303
Bonds payable:					
General obligation bonds	-	59,000,000	-	59,000,000	1,215,000
Full faith and credit bonds	108,580,000	-	(6,525,000)	102,055,000	6,785,000
Issuance discounts, net of premiums	2,283,867	7,165,794	(511,097)	8,938,564	761,775
Total bonds payable	110,863,867	66,165,794	(7,036,097)	169,993,564	8,761,775
Loans and notes payable	6,535,478	-	(4,447,214)	2,088,294	110,000
Other postemployment benefits	26,631,789	3,266,669	-	29,898,458	-
Net pension liability	109,436,357	151,775,067	-	261,211,424	-
	<u>\$ 265,299,206</u>	<u>\$ 237,267,723</u>	<u>\$ (26,369,988)</u>	<u>\$ 476,196,971</u>	<u>\$ 20,315,078</u>
Business-type activities:					
Compensated absences	\$ 217,047	\$ 238,557	\$ (223,492)	\$ 232,112	\$ 64,416
Unearned revenue	229,900	-	-	229,900	-
Bonds payable:					
Revenue bonds	107,430,000	83,250,000	(81,660,000)	109,020,000	-
Issuance discounts, net of premiums	33,142	10,523,115	(505,975)	10,050,282	-
Total bonds payable	107,463,142	93,773,115	(82,165,975)	119,070,282	-
Loans and notes payable	8,320,166	-	(6,452,146)	1,868,020	152,083
Other postemployment benefits	341,742	16,632	-	358,374	-
Net pension liability	1,815,749	2,688,110	-	4,503,859	-
	<u>\$ 118,387,746</u>	<u>\$ 96,716,414</u>	<u>\$ (88,841,613)</u>	<u>\$ 126,262,547</u>	<u>\$ 216,499</u>

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

11. OPERATING LEASES

The County leases buildings and office equipment under non-cancelable operating leases. Rent expense amounted to approximately \$929,251 for the year ended June 30, 2017. Future payments are due as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 968,220
2019	726,132
2020	745,827
2021	769,446
2022	707,806
Thereafter	<u>2,252,367</u>
	<u>\$ 6,169,798</u>

During the year, WICCO had a lease for office space and equipment. Rental expense for the year ended June 30, 2017 totaled \$50,406. At June 30, 2017, the future minimum lease payments under this lease are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 47,437
2019	8,926
2020	5,278
2021	5,278
2022	5,278
Thereafter	<u>-</u>
	<u>\$ 72,197</u>

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

12. DUE TO/FROM OTHER FUNDS AND INTERFUND LOANS

Interfund due to/from balances at June 30, 2017 are comprised of the following:

<u>Due to/from other funds:</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 3,393,081	\$ -
Road Fund	-	13,923
Sheriff Fund	3,574,948	-
DTD Capital Projects Fund	33,728	-
Non-Major Governmental Funds	857,078	5,180,160
Internal Service Funds	639,395	1,608,264
Clackamas County Service District No. 1	-	536,610
Tri-City Service District	-	71,956
Housing Authority of Clackamas County	-	1,055,648
Non-Major Enterprise Funds	780	32,817
Fiduciary Activities	<u>1,224</u>	<u>856</u>
Total Due to/from other funds	<u>\$ 8,500,234</u>	<u>\$ 8,500,234</u>

Interfund balances consist of expenditures/expenses paid or incurred by a fund, but not yet reimbursed by other funds.

Interfund loan balances at June 30, 2017 are comprised of the following:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
Community Development Fund	\$ 857,078	\$ -
Housing Authority of Clackamas County	<u>-</u>	<u>857,078</u>
	<u>\$ 857,078</u>	<u>\$ 857,078</u>

The Community Development Fund made a \$857,078 loan to HACC to construct and purchase low income housing units, no payments are required as long as HACC operates the facility as low-income housing.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

13. TRANSFERS TO/FROM OTHER FUNDS

Transfers to/from other funds consisted of the following:

Fund	General Fund	Road Fund	Sheriff Fund	DTD Capital Projects Fund
General Fund	\$ 6,838,638	\$ 751,460	\$ 55,104,521	\$ -
Road Fund	-	-	-	4,268,671
Sheriff Fund	-	-	-	-
Clackamas Town Center Tax Increment Fund	-	-	-	-
Non-Major Governmental Funds	1,649,210	-	-	571,019
Internal Service Funds	-	-	-	-
Non-Major Enterprise Funds	-	-	-	-
Total transfers in	<u>\$ 8,487,848</u>	<u>\$ 751,460</u>	<u>\$ 55,104,521</u>	<u>\$ 4,839,690</u>

Fund	Non-Major Governmental Funds	Internal Service Funds	Total Transfers Out
General Fund	\$ 42,183,794	\$ 73,000	\$ 104,951,413
Road Fund	-	-	4,268,671
Sheriff Fund	211,661	1,000,859	1,212,520
Clackamas Town Center Tax Increment Fund	2,500,000	-	2,500,000
Non-Major Governmental Funds	11,693,933	-	13,914,162
Internal Service Funds	343,527	-	343,527
Non-Major Enterprise Funds	300,000	-	300,000
Total transfers in	<u>\$ 57,232,915</u>	<u>\$ 1,073,859</u>	<u>\$ 127,490,293</u>

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

13. TRANSFERS TO/FROM OTHER FUNDS (Continued)

	Transfers In	Transfers Out
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	\$ 126,416,434	\$ 126,846,766
Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds	-	300,000
Schedule of Revenues, Expenditures and Changes in Fund Balance - Internal Service Funds	1,073,859	343,527
	<u>\$ 127,490,293</u>	<u>\$ 127,490,293</u>

Transfers are routinely made for the following purposes:

- To move revenues from which statute or budget requires them to be collected to the fund from which statute or budget requires them to be expended;
- To move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due;
- To move unrestricted revenues collected in the General Fund to finance various programs and activities accounted for in other funds in accordance with budgetary authorizations; and
- To move revenues collected from restricted sources to other funds to pay for direct expenses

14. PENSION PLAN

General Information about the Pension Plan

Plan description. The County is a participating employer in the Oregon Public Employee Retirement System (PERS)—a cost-sharing multiple employer defined benefit pension plan administered under ORS 238, Chapter 23A, and Internal Revenue Service 401(a). PERS prepares their financial statements in accordance with GASB Statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits are recognized in the month they are earned, and withdrawals are recognized in the month they are due and payable. Investments are recognized at fair value, the amount at which financial instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sales. PERS issues a publicly available financial report that can be obtained at: <http://www.oregon.gov/pers/>

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier One/Tier Two Retirement Benefit. Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

14. PENSION PLAN (Continued)

Tier One/Tier Two Retirement Benefit. (Continued)

Pension Benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (two percent for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General Service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

14. PENSION PLAN (Continued)

Benefit Changes after Retirement

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

OPSRP Pension Program (OPSRP DB) Pension Benefits.

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

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

Disability Benefits

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

Benefit Changes after Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of living adjustment (COLA).

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

14. PENSION PLAN (Continued)

Contributions

All PERS participating employers are required by law to submit the contributions as adopted by the PERS Board (PERB). PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due.

Employer contribution rates during the period were based on December 31, 2014 actuarial valuation as subsequently modified by the Oregon Supreme Court decision in Moro vs State of Oregon. The rates, based on a percentage of payroll, became effective July 1, 2016. For the fiscal year end June 30, 2017, covered payroll totaled \$151,150,491 and required contributions were as follows:

	Required Rate of Contribution July 1, 2016
Tier One/Tier Two PERS plan	15.11%
OPSRP pension plan - General service employees	8.51%
OPSRP pension plan - Police and Fire employees	12.62%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2017, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 and rolled forward to June 30, 2016. The County's proportion of the net pension liability was based on the County's projected long-term contribution effort as compared to the total projected net pension a long-term contribution effort of all employers. At June 30, 2017, the County's proportion of PERS net pension liability was 1.74184415%.

Detailed information about the pension plan's fiduciary net position and the Schedules of Employer Allocation and Pension Amounts by Employer is available in separately issued OPERS financial reports and online at www.oregon.gov/PERs.

The County's net pension liability as the Reporting entity was allocated based on payroll allocations.

Clackamas County	Net Pension Liability	Allocation
Deferred outflow of resources:		
Governmental Activities	\$ 261,211,424	98.3%
Business-type Activities	4,503,859	1.7%
Reporting entity total	<u>265,715,283</u>	<u>100.0%</u>

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

14. PENSION PLAN (Continued)

For the year ended June 30, 2017, the County recognized pension expense of \$47,583,108. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,791,022	\$ -
Changes of assumptions	56,670,685	-
Net difference between projected and actual earnings on investments	52,494,192	-
Changes in proportionate share	485,359	9,025,265
Differences between employer contributions and proportionate share of system contributions	<u>4,455,689</u>	<u>2,337,582</u>
Total (prior to post-measurement date contributions)	122,896,947	11,362,847
Contributions made subsequent to measurement date	22,351,414	-
Total	<u>\$ 145,248,361</u>	<u>\$ 11,362,847</u>

\$22,351,414 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 19,624,405
2019	19,624,405
2020	38,974,877
2021	29,359,184
2022	3,951,229
Thereafter	-
Total	<u>\$ 111,534,100</u>

Actuarial methods and assumptions

The employer contribution rates effective July 1, 2015, through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

14. PENSION PLAN (Continued)

Actuarial methods and assumptions (Continued)

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014 rolled forward to June 30, 2016
Measurement Date	June 30, 2016
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent (reduced from 2.75%)
Investment Rate of Return	7.50 percent (reduced from 7.75%)
Discount Rate	7.50 percent (reduced from 7.75%)
Projected Salary Increases	3.50 percent (reduced from 3.75%)
Post retirement Cost-of-Living adjustments	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table.

All assumptions, methods and plan provisions used in the calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 8, 2017. Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even number years.

Effective with the December 31, 2014 actuarial valuation, issued in November 2015, assumptions were changed, which are expected to have a significant impact on future contribution rates. These changes include the lowering of assumed investment returns to 7.50 percent, the assumed inflation was lowered to 2.50 percent, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and updated assumptions for merit increases, unused sick leave, and vacation pay.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

14. PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

In the opinion of the PERS independent actuary, the detailed depletion date projects outlined in generally accepted accounting principles would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses. Detailed discussion of the alternative evaluation of sufficiency for Oregon PERS may be reviewed in the June 30, 2016 PERS Comprehensive Annual Financial Report.

Assumed Asset Allocation

Asset Class	Low Range
Cash	0.0%
Debt Securities	20.0%
Public Equity	37.5%
Private Equity	17.5%
Real Estate	12.5%
Alternative Equity	12.5%
Opportunity Portfolio	0.0%
Total	100.0%

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

14. PENSION PLAN (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation*	Annual Arithmetic Return	Compound Annual Return (Geometric)	Standard Deviation
Core Fixed Income	8.00%	4.10%	4.00%	4.68%
Short-Term Bonds	8.00	3.65	3.61	2.74
Bank/Leveraged Loans	3.00	5.69	5.42	7.82
High Yield Bonds	1.00	6.67	6.20	10.28
Large/Mid Cap US Equities	15.75	7.96	6.70	17.07
Small Cap US Equities	1.31	8.93	6.99	21.35
Micro Cap US Equities	1.31	9.37	7.01	23.72
Developed Foreign Equities	13.13	8.34	6.73	19.40
Emerging Market Equities	4.12	10.56	7.25	28.45
Non-US Small Cap Equities	1.88	9.01	7.22	20.55
Private Equity	17.50	11.60	7.97	30.00
Real Estate (Property)	10.00	6.48	5.84	12.00
Real Estate (REITS)	2.50	8.74	6.69	22.02
Hedge Fund of Funds – Diversified	2.50	4.94	4.64	8.09
Hedge Fund – Event Driven	0.63	7.07	6.72	8.90
Timber	1.88	6.60	5.85	13.00
Farmland	1.88	7.11	6.37	13.00
Infrastructure	3.75	8.31	7.13	16.50
Commodities	1.88	6.07	4.58	18.40

Assumed Inflation – Mean 2.50% 1.85%

*Based on the Oregon Investment Council (OIC) Statement of Objectives and Policy Framework of the Oregon Public Employees Retirement Fund, revised as of December 3, 2014. The revised allocation was adopted at the June 3, 2015 OIC meeting.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

14. PENSION PLAN (Continued)

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate.

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease 6.50%	7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$ 429,041,584	\$ 265,715,283	\$ 129,203,071

IAP Plan Description:

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

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

Contributions

The County has chosen to pay the employees contributions to the plan. 6 percent of covered payroll is paid for general services employees and 9 percent of covered payroll is paid for firefighters and police officers.

WICCO Retirement Plan

WICCO makes employer matching contributions under an arrangement described in Section 403(b) of the IRC. WICCO contributes up to 8 percent of the employee's salary. Expenses under this plan for the year ended June 30, 2017 and 2016, totaled \$29,860 and \$28,216, respectively.

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

15. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The County is involved with two single-employer defined benefit healthcare plans. One single-employer plan is an implicit rate subsidy for all qualified County employees (here in Note 15), and the other single-employer plan is an explicit plan for only certain Sheriff's Office employees (see Note 20). The Sheriff's Office plan established a trust, and those plan assets are reported in the implicit rate plan for GASB 45 reporting, and in the explicit rate plan for GASB 74 reporting.

Per Oregon State law, the implicit rate subsidy 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.

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 July 1, 2014, 218 Tier 1/Tier 2 and OPSRP General Service retirees that were receiving the post-employment healthcare benefit.

OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the annual required contribution ("ARC") of the employer, 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.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. Annual OPEB cost and net OPEB obligations on the Schedule of Other Post-Employment Benefit funding progress (page 88) is reported as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability benefits.

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

15. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

Annual required contribution	\$ 6,075,523
Interest on net OPEB obligation	1,114,413
Adjustment to annual required contribution	<u>(1,585,152)</u>
Annual OPEB expense	5,604,784
Contributions made	<u>2,321,483</u>
Increase in net OPEB obligation	3,283,301
Net OPEB obligation - beginning this year	<u>26,973,531</u>
Net OPEB obligations - end of year	<u>\$ 30,256,832</u>

The County's annual OPEB expense, contribution, percentage of annual OPEB expense contributed to the plans, and the net OPEB obligation for fiscal years 2015 through 2017 were as follows:

	Annual OPEB Expense	Annual OPEB Contributions	Percentage of OPEB Expense Contributed	Net OPEB Obligation
June 30, 2015	\$ 4,387,902	\$ 4,574,990	104%	\$ 24,320,461
June 30, 2016	4,417,658	1,764,588	40%	26,973,531
June 30, 2017	5,604,784	2,321,483	41%	30,256,832

As of the most recent actuarial report, July 1, 2016, the actuarial accrued liability of benefits was \$49,723,123, and the actuarial value of assets was \$3,385,149, resulting in an unfunded actuarial accrued liability (UAAL) of \$46,337,974. The covered payroll (annual payroll of active employees covered by the plan) was \$131,808,221 resulting in a ratio of UAAL to covered payroll was 35.2%.

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, 2016), the entry age normal method was used. The discount rate is selected based on historical and expected provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

15. OTHER POSTEMPLOYMENT 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. 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 at a rate assessed bi-annually by the PERB, currently 0.53 percent of annual covered payroll for PERS Plan members, and 0.45 percent for OPSRP Plan members. The PERB 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 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed ten years.

The County's contributions to RHIA for the years ended June 30, 2015, 2016, and 2017 were \$710,918, \$712,069, and \$709,910 respectively, which equaled the required contributions each year.

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

16. COMMITMENTS AND CONTINGENCIES

The County has commitments under contractual agreements for various construction contracts amounting to approximately \$10,471,006. The County intends to fund these agreements with anticipated resources, such as road funds and capital construction grants.

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.

Tri-City Service District entered into agreements with the cities of Oregon City, West Linn and Gladstone ("the Cities"). Pertinent terms of these agreements are as follows:

- The Cities will process and review all permit applications for hookup and inspection; operate and maintain local collection facilities; bill and collect sewer user charges and connection charges.
- The Cities will collect and remit a contractual percentage of connection charges to the District.
- The Cities will bill and collect sewer user charges bimonthly according to the rate schedule provided by the District.
- Should the District fail to perform services outlined in these agreements, the Cities can terminate the agreement upon 30 days written notice.
- In accordance with the terms of these agreements, the following fees and charges were earned by the District:

	2017
Sewerage user fees	\$ 7,964,971
Connection charges	940,328
Pump station maintenance charges	1,049
Total	\$ 8,906,348

- Tri-City Service District is committed under contractual agreements for various construction contracts totaling approximately \$3,264,000. As of June 30, 2017, approximately \$1,807,000 of these contracts remain outstanding.
- Clackamas County Service District No. 1 has commitments under contractual agreements for various multi-year contracts related to capital acquisition and service agreements. The total contract costs are approximately \$11,907,000. As of June 30, 2017, approximately \$5,297,000 of these contracts remain outstanding.
- The Clackamas County Development Agency has commitments under various construction contracts for approximately \$4,513,842.
- 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.

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

17. RELATED PARTY TRANSACTIONS

WICCO has entered into grant and office space rental agreements with organizations whose management includes members of the WICCO Board of Directors. Payables to these organizations totaled \$512,880 at June 30, 2017. Expenses of \$2,343,053 were incurred under grant and rental agreements with these organizations during the years ended June 30, 2017.

18. POLLUTION REMEDIATION

On July 19, 2012 the Oregon Department of Environmental Quality (DEQ) issued a Consent Order to Clackamas County Service District No. 1 and Tri-City Service District. The purpose of the agreement was to: (a) protect the public health, safety, and welfare and the environment through the design and implementation of remedial measures on the Blue Heron site; (b) to facilitate productive reuse of the property; and (c) to provide the two districts with protection from potential liabilities in accordance with applicable law. The Remedial Investigation Report and Human Health and Ecological Risk Assessments commissioned by WES on behalf of the two districts were accepted by DEQ on June 18, 2014. In July 2016, the two districts continued an alternatives evaluation. The two districts will be reviewing the alternatives to determine if the site will remain unused or remediation efforts will commence. The two districts have determined that no obligating events have occurred as of June 30, 2017 therefore no liability has been recorded.

19. TAX ABATEMENTS

As of June 30, 2017, Clackamas County provides tax abatements through two programs authorized by Oregon Revised Statutes:

Enterprise Zone	ORS 285C.020 – 285C.250
Not-for-Profit Low Income Rental Housing	ORS 307.540 – 307.548

Enterprise Zone:

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

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

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

19. TAX ABATEMENTS (Continued)

Not-for-Profit Low Income Rental Housing:

In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations (Not-for-Profit Low Income Rental Housing (NPLTE)). Recently the legislature has renewed and extended this program to 2027. The tax exemption is intended to benefit low-income renters by alleviating property tax burden on those agencies that provide this housing opportunity. The qualifying property must be located within the exempt area.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible. Organizations must be certified by the Internal Revenue Service as 501(c)(3) or (4) (ORS307.180). Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the non-profit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline. Housing units which are unoccupied at the time of application may be included in the total eligible units if the application meets the following conditions:

- (1) The units will be available exclusively to eligible, very low-income persons;
- (2) The units are intended to be occupied within the year;
- (3) The application must be filled out giving information to the best of your ability regarding how the applicant plans to provide housing to eligible tenants; and
- (4) Vacant land must be held for future development of affordable housing for the very low-income, and must include a development plan in the application.

Vacant land intended to be developed as low-income housing is also eligible for the exemption.

For fiscal year 2017, the County's property tax revenues were reduced by an estimated \$243,938 as a result of two programs.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during Fiscal Year 2017</u>
E-Zone	\$ 207,740
NPTLE	36,198
	<u>\$ 243,938</u>

For the fiscal year 2017, the County's property tax revenues were not impacted by tax abatement programs administered by other governments.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

20. SHERIFF'S OFFICE INDEPENDENT RETIREE MEDICAL TRUST

Plan Administration

The Sheriff's Office Independent Retiree Medical Trust (the OPEB Trust) administers a single employer defined benefit plan that is used to provide OPEB for retiring Peace Officer Association and Command Officers (the Sheriff's OPEB Plan), who retire with a minimum of ten years of service with the County. The County funds premium costs by contributing 3.25% for all Sheriff's office covered employees, whether they are union or non-union. During fiscal year 2017, benefit payments of \$957,437 were made to participants. At year-end, net position available for future premium costs in the Trust amounted to \$3,931,260.

The County established the Trust in fiscal year 2015 to fund the future payments required to provide post-employment benefits other than pension as described in the Plan Description above. The Trust is an independent, irrevocable trust administered by a Board of Trustees, appointed by the Board of the County Commissioners and the Clackamas County Peace Officers Association. Funding and payment of the annual, ongoing retiree medical and dental benefits from the County do apply toward the funding of the Trust to meet ERISA/DOL requirements. These can be obtained by writing: Joseph Reinhart, P.C. 7355 SW Hermoso Way, Portland, OR 97223.

Plan Membership

At June 30, 2017, the Sheriff's OPEB Plan membership consisted of the following:

Inactive plan member or beneficiaries currently receiving benefit payments	88
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>422</u>
	<u>510</u>

Benefits Provided

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.

Contributions

Article X of the OPEB Trust agreement grants the authority to establish and amend the contribution requirements of the plan members to the Sheriff's OPEB Plan Board of Trustees (the Trustees). The Trustees establish rates based on an actuarially determined rate. For the year ended June 30, 2017, the Sheriff's OPEB Plan's average contribution rate was 3.27% of covered payroll. The OPEB Trust pays a subsidy, which can change annually. Retirees are responsible for the payment of annual deductibles, which vary according to the plan selected. The OPEB Trust funds premium costs by contributing 3.25% for all Sheriff's office covered employees, whether they are union or non-union.

CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

20. SHERIFF'S OFFICE INDEPENDENT RETIREE MEDICAL TRUST (Continued)

Investments

Plan assets are invested and reinvested as a pooled fund. The Trustees of the investment manager consider the effect of any investment upon the tax exempt status of the Plan or the income tax consequences to the Sheriff's OPEB Plan. The Trustees or investment manager is authorized to invest and reinvest the assets in bonds, insurance policies, mortgages, debentures, preferred or common stock, stock options, mutual funds, a common trust fund maintained by a fiduciary which is a bank or insurance company, or other real or personal property, or deposit the assets in an interest bearing account in a financial institution supervised by the United States or a state if the financial institution is a fiduciary of the Sheriff's OPEB Plan. The following was the Trustees' adopted asset allocation policy as of June 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income Securities	35%
U.S. Large Cap Stocks	30%
Foreign Stocks	18%
U.S. Mid Cap Stocks	8%
Cash equivalents	5%
U.S. Small Cap Stocks	4%
Total	<u>100%</u>

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 9.75%. The rate of return expresses investment performance, net of investment expense, adjusted for the changing amount.

Net OPEB Liability of the Sheriff's OPEB Plan

The components of the net OPEB liability of the Sheriff's OPEB Plan at June 30, 2017, were as follows:

Total OPEB liability	\$ 22,332,263
Plan fiduciary net position	3,931,260
Sheriff's OPEB Plan net OPEB liability	<u>\$ 18,401,003</u>

Sheriff's OPEB Plan fiduciary net position
as a percentage of the total OPEB liability 82.40%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary Increases	3.25%
Investment Rate of Return	5.5%
Health Care Cost Trends	Actual increase in 2017, fluctuates between 5.3% and 5.5% per year through 2027; increases to a high of 6.5% in 2029, before gradually decreasing (with some minor fluctuations) to a 4.4% ultimate trend rate in 2094 and beyond.

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

20. SHERIFF'S OFFICE INDEPENDENT RETIREE MEDICAL TRUST (Continued)

Mortality rates were based on December 31, 2015 Oregon PERS actuarial valuation fully generational mortality improvement based on Bickmore Scale 2017. The Entry Age Actuarial Cost Method was used in the June 30, 2016 actuarial valuation. That actuarial valuation employed assumptions including a 2.925% discount rate and health care cost trend rates ranging from a high of 6.5% to an ultimate rate of 4.4%. The unfunded actuarial accrued liability is amortized with level dollar payments over a 30-year open period. The long-term expected rate of return used in the June 30, 2017 valuation was based on weighted balances and activity during the prior 12 months.

The discount rate used was 3.565% for the June 30, 2017 actuarial valuation. The projection of cash flows used to determine the discount rate assumed that Sheriff's OPEB Plan contributions will be made at rates equal to the actuarially determined contribution rates. While the plan has \$3,931,260 of resources, it is substantially less than what would be necessary to make all future benefit payments, and given the relatively short time the OPEB Trust has been in existence, the Sheriff's OPEB Plan used the lower municipal bond rate only for its calculated discount rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Sheriff's OPEB Plan, as well as the Sheriff's OPEB Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.565%) or 1-percentage point higher (4.565%) than the current discount rate:

	1% Decrease 2.565%	3.565%	1% Increase 4.565%
Net OPEB liability	\$ 20,489,866	\$ 18,401,003	\$ 16,492,465

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Sheriff's Office Plan, as well as what the Sheriff's Office Plan net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.4% in January 2018 and fluctuate to a high of 5.5% and eventually decrease back to and stabilize at an ultimate increase rate of 3.4% per year) or 1-percentage-point higher (6.4% in January 2018 and fluctuate to a high of 7.5% and eventually decrease back to and stabilize at an ultimate increase rate of 5.4% per year) than the current healthcare cost trend rates:

	1% Decrease 4.4% start, increasing to 5.5%, decreasing to 3.4%	5.4% start, increasing to 6.5%, decreasing to 4.4%	1% Increase 6.4% start, increasing to 7.5%, decreasing to 5.4%
Net OPEB liability	\$ 15,143,126	\$ 18,401,003	\$ 22,666,739

**CLACKAMAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017**

21. GOVERNMENT MERGER

On May 17, 2016 voters approved measure 3-93 approving the disincorporation Damascus, which is located within the boundaries of Clackamas County. The State of Oregon House Bill 3086 outlined the provisions for disincorporation, including the return of services and transfer of approximately \$9 million dollars of remaining funds to the County. Damascus rendered its charter to County officials on the evening of July 17, 2016, and returned to unincorporated Clackamas County.

The County reports Damascus as a private purpose trust fund. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources reported a carrying value of \$10,099,261 as of the July 17, 2016 merger date. No significant adjustments are made to bring into conformity the individual accounting policies or to adjust for impairment of capital assets resulting from the merger. The carrying amounts recognized by the County as of the merger date are as follows:

	Amounts Recognized as of July 21, 2017
Assets	
Current assets	\$ 8,581,523
Capital assets	1,535,712
Total assets	<u>10,117,235</u>
Liabilities	
Current liabilities	<u>17,974</u>
Net Position	<u>\$ 10,099,261</u>

22. SUBSEQUENT EVENTS

On October 9, 2017, the City of Happy Valley filed in the Circuit Court of the State of Oregon a lawsuit against Clackamas County on behalf of North Clackamas Park & Recreation District. The Claim for relief is \$13,385,848 plus interest and other assets to be determined. By way of background, in May 2017, the City of Happy Valley City Council passed an Ordinance to withdraw the territory within the City's boundaries from the North Clackamas Parks and Recreation District with an implementation target date of 12/31/17. Oregon Revised Statute 222.530 provides that Happy Valley receive "...an equitable division...of the assets of the district....after giving consideration to the assessed valuation of the whole district and the part of it withdrawn, the types of assets and their location and intended use." The District attempted to work with the City of Happy Valley to come to an agreement on the division of assets but were unable to reach agreement. The litigation's purpose is both to arrive at the statutorily-required equitable division and resolve certain contractual claims between the parties. At this time an estimate of loss cannot be made.

On December 1, 2017, the Hospital Facility Authority of Clackamas County, Oregon issued \$75,065,000 of Senior Living Revenue Bonds (Willamette View Project), Series 2017 A Bonds, and \$15,000,000 Senior Living Revenue Bonds (Willamette View Projects), Series 2017 B Bonds dated December 1, 2017. The maturity date is December 1, 2052.

**CLACKAMAS COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes:				
Current	\$ 114,500,000	\$ 114,500,000	\$ 114,525,858	\$ 25,858
Delinquent	2,425,000	2,425,000	2,404,280	(20,720)
Total property taxes	116,925,000	116,925,000	116,930,138	5,138
Intergovernmental:				
Federal	523,000	523,000	1,865,714	1,342,714
State	4,787,550	4,787,550	4,756,459	(31,091)
Local	2,000	379,000	392,765	13,765
Total intergovernmental	5,312,550	5,689,550	7,014,938	1,325,388
Charges for services:				
Internal county services	13,144,654	13,258,354	13,491,873	233,519
Charges to others	3,423,306	3,430,556	3,906,761	476,205
Total charges for services	16,599,232	16,720,182	17,398,634	678,392
Licenses and permits:				
Licenses and permits	1,870,000	2,174,091	2,147,560	(26,531)
Total licenses and permits	1,870,000	2,174,091	2,147,560	(26,531)
Fines, forfeitures, and penalties:				
Fines, forfeitures, and penalties	500	500	7	(493)
Total fines, forfeitures, and penalties	500	500	7	(493)
Miscellaneous:				
Reimbursements	18,241,797	18,301,769	17,231,940	(1,069,829)
Interest	2,500	2,985	-	(41,770)
Asset and property proceeds	100	100	-	(100)
Other	1,133,560	1,134,010	1,082,322	(51,688)
Total miscellaneous	19,377,957	19,438,864	18,314,262	(1,163,387)
TOTAL REVENUES	160,085,239	160,948,187	161,805,539	818,507
EXPENDITURES:				
Current - organizational unit:				
General government:				
County Administration	2,251,746	2,278,950	2,155,523	123,427
County Assessor	7,520,668	7,520,668	6,951,218	569,450
Board of County Commissioners	1,742,404	1,742,404	1,622,071	120,333
County Clerk	2,587,259	2,749,855	2,711,284	38,571
County Counsel	2,450,929	2,459,929	2,424,838	35,091
Department of Human Resources	5,957,326	6,046,822	5,774,623	272,199
Department of Finance	6,267,103	6,267,103	5,436,683	830,420

Continued

REQUIRED SUPPLEMENTARY INFORMATION

**CLACKAMAS COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (continued):				
General government (continued):				
Public and Government Affairs	2,765,280	4,382,084	3,879,588	502,496
Transportation and Development	1,106,394	1,228,394	1,135,759	92,635
County Treasurer	846,887	846,887	850,497	(3,610)
Current - not allocated by organizational unit				
Personal services	17,538,924	17,538,924	16,209,812	1,329,112
Materials & services	7,624,144	8,064,144	7,235,327	828,817
Debt service	244,303	244,303	244,303	-
Special Payments	1,524,168	60,524,168	2,559,586	57,964,582
Contingency	6,750,906	8,243,185	-	8,243,185
Total general government	67,178,441	130,137,820	59,191,112	70,946,708
TOTAL EXPENDITURES	67,178,441	130,137,820	59,191,112	70,946,708
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	92,906,798	30,810,367	102,614,427	71,765,215
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	67,100,000	66,165,794	(934,206)
Transfers in	-	1,764,210	1,649,210	(115,000)
Transfers out	(104,681,002)	(112,667,527)	(104,717,527)	7,950,000
TOTAL OTHER FINANCING SOURCES (USES)	(104,681,002)	(43,803,317)	(36,902,523)	6,900,794
NET CHANGE IN FUND BALANCE	(11,774,204)	(12,992,950)	65,711,904	78,666,009
FUND BALANCE, JUNE 30, 2016	23,474,204	24,756,082	24,756,082	-
FUND BALANCE, JUNE 30, 2017	\$ 11,700,000	\$ 11,763,132	90,467,986	\$ 78,666,009
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			602,217	
Certain governmental funds report a substantial portion of unrestricted inflows, and are reported in the General Fund on a GAAP basis:				
Employer Contributions Reserve Fund			2,685,280	
Dog Services Fund			838,631	
Health, Housing & Human Services Fund			801,014	
Parks Fund			1,190,311	
Planning Fund			1,331,548	
Resolution Services Fund			97,551	
Code Enforcement & Sustainability Fund			2,175,226	
LID Construction Fund			540,978	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 100,730,742	

**CLACKAMAS COUNTY, OREGON
ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 994,843	\$ 994,843	\$ 1,072,395	\$ 77,552
State	26,026,520	26,537,520	25,577,050	(960,470)
Local	226,000	226,000	418,904	192,904
Total intergovernmental	27,247,363	27,758,363	27,068,349	(690,014)
Charges for services:				
Charges for services	2,500	2,500	9,293	6,793
Public ways and facilities	672,450	672,450	880,013	207,563
Internal county services	2,819,870	5,674,209	5,870,389	196,180
Rentals	5,280	5,280	5,280	-
Total charges for services	3,500,100	6,354,439	6,764,975	410,536
Licenses and permits:				
Licenses and permits	50,000	75,000	116,134	41,134
Total licenses and permits	50,000	75,000	116,134	41,134
Miscellaneous:				
Reimbursements	80,000	80,000	111,497	31,497
Interest	25,000	50,000	158,456	108,456
Contributions	15,000	15,000	10,000	(5,000)
Asset and property proceeds	1,575,500	1,575,500	36,643	(1,538,857)
Other	1,000	1,000	81,382	80,382
Total miscellaneous	1,696,500	1,721,500	397,978	(1,323,522)
TOTAL REVENUES	32,493,963	35,909,302	34,347,436	(1,561,866)
EXPENDITURES:				
Current - organizational unit:				
Public ways and facilities:	36,586,321	37,631,142	30,237,900	7,393,242
Contingency	5,262,151	2,656,733	-	2,656,733
Special payments	200,000	500,000	19,000	481,000
TOTAL EXPENDITURES	42,048,472	40,787,875	30,256,900	10,530,975
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,554,509)	(4,878,573)	4,090,536	8,969,109

Continued

**CLACKAMAS COUNTY, OREGON
ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

Continued	Budget		Actual	Variance with Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES):				
Transfers in	982,460	751,460	751,460	-
Transfers out	(2,436,864)	(5,936,864)	(4,268,671)	1,668,193
TOTAL OTHER FINANCING SOURCES (USES)	(1,454,404)	(5,185,404)	(3,517,211)	1,668,193
NET CHANGE IN FUND BALANCE	(11,008,913)	(10,063,977)	573,325	10,637,302
FUND BALANCE, JUNE 30, 2016	12,708,913	19,013,977	19,013,977	-
FUND BALANCE, JUNE 30, 2017	\$ 1,700,000	\$ 8,950,000	19,587,302	\$ 10,637,302
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Property held for sale			2,877,343	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 22,464,645	

**CLACKAMAS COUNTY, OREGON
SHERIFF FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes:				
Property taxes:	\$ 500	\$ 500	\$ -	\$ (500)
Total property taxes	500	500	-	(500)
Intergovernmental:				
Federal	897,874	1,114,964	740,899	(374,065)
State	97,750	130,750	416,555	285,805
Local	9,271,483	9,340,512	8,011,112	(1,329,400)
Total intergovernmental	10,267,107	10,586,226	9,168,566	(1,417,660)
Charges for services:				
Charges for services	1,754,650	1,772,225	1,679,733	(92,492)
Internal county services	490,169	490,169	1,551,745	1,061,576
Total charges for services	2,244,819	2,262,394	3,231,478	969,084
Licenses and permits:				
Licenses and permits	571,000	571,000	1,041,662	470,662
Total licenses and permits	571,000	571,000	1,041,662	470,662
Fines, forfeitures, and penalties:				
Fines, forfeitures, and penalties	213,500	213,500	176,248	(37,252)
Total fines, forfeitures, and penalties	213,500	213,500	176,248	(37,252)
Miscellaneous:				
Reimbursements	5,439,062	5,461,922	5,404,693	(57,239)
Contributions	31,000	37,250	51,420	14,170
Asset and property proceeds	33,000	33,000	5,881	(27,119)
Other	642,000	642,000	95,903	(546,097)
Total miscellaneous	6,145,062	6,174,172	5,557,887	(616,285)
TOTAL REVENUES	19,441,988	19,807,792	19,175,841	(631,951)
EXPENDITURES:				
Current - organizational unit:				
Public protection	73,437,017	75,783,949	71,927,129	3,856,820
Special payments	8,800	82,000	50,443	31,557
TOTAL EXPENDITURES	73,445,817	75,865,949	71,977,572	3,888,377
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(54,003,829)	(56,058,157)	(52,801,731)	3,256,426
OTHER FINANCING SOURCES (USES):				
Transfers in	54,106,524	55,104,521	55,104,521	-
Transfers out	(1,509,216)	(1,509,216)	(1,212,520)	296,696
TOTAL OTHER FINANCING SOURCES (USES)	52,597,308	53,595,305	53,892,001	296,696
NET CHANGE IN FUND BALANCE	(1,406,521)	(2,462,852)	1,090,270	3,553,122
FUND BALANCE, JUNE 30, 2016	1,406,521	2,462,852	2,462,853	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 3,553,123	\$ 3,553,122

**CLACKAMAS COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017**

SCHEDULE OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS

Actuarial Valuation Date July 1,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL) (Asset)	Percent Funded	Covered Payroll	UAAL as a Percentage of Covered Payroll
2012	\$ -	\$ 33,445,000	\$ 33,445,000	0%	\$ 107,814,409	31%
2014	-	39,774,132	39,774,132	0%	114,379,887	35%
2016	3,846,917	49,723,123	45,876,206	8%	131,808,221	35%

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (asset)	(c) CAL's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	1.77 %	\$ 265,693,283	\$ 139,552,146	190.39 %	80.50 %
2016	1.94	111,252,106	132,172,066	84.17	91.90
2015	1.90	(43,087,581)	130,758,256	(32.95)	103.60

SCHEDULE OF PENSION CONTRIBUTIONS

Fiscal Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2017	\$ 22,377,528	\$ 22,377,528	\$ -	\$ 151,150,491	14.80 %
2016	22,417,460	22,417,460	-	139,552,146	16.06
2015	17,744,752	17,744,752	-	132,172,066	13.43

**CLACKAMAS COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
YEAR ENDED JUNE 30, 2017**

SCHEDULE OF CHANGES IN THE SHERIFF'S OPEB PLAN NET OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	2017
Total OPEB Liability	
Service cost	\$ 1,535,603
Interest	697,350
Differences between actual and expected experience	(125,223)
Changes in assumptions	(1,315,722)
Benefit payments	(765,150)
Net change in total OPEB liability	26,858
Total OPEB liability - beginning	22,305,405
Total OPEB liability - ending	<u>\$ 22,332,263</u>

Plan Fiduciary Net Position	
Contribution - employer	\$ 1,028,483
Contribution - employee	192,287
Net investment income	356,830
Administrative expenses	(74,052)
Benefit payments	(957,437)
Net change in plan fiduciary net position	546,111
Plan fiduciary net position - beginning	3,385,149
Plan fiduciary net position - ending	<u>\$ 3,931,260</u>

Plan net OPEB liability ending \$ 18,401,003

Plan fiduciary net position as a percentage of the total OPEB liability 17.60%

Covered employee payroll \$ 31,495,202

Plan's net OPEB liability as a percentage of covered-employee payroll 58.42%

**CLACKAMAS COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
YEAR ENDED JUNE 30, 2017**

SCHEDULE OF SHERIFF'S OPEB PLAN CONTRIBUTIONS

Last 10 Fiscal Years

	<u>2017</u>	
Actuarially determined contribution	\$ 2,536,482	
Contributions in relation to the actuarially determined contribution	<u>1,028,483</u>	
Contribution deficiency	<u>\$ 1,507,999</u>	
Covered-employee payroll	\$ 31,495,202	
Contributions as a percentage of covered-employee payroll		3.27%
Annual rate of return		9.75%

Notes to Schedule

Valuation date: actuarially determined contribution rates are calculated as of July 1, 2016, with results rolled forward to June 30, 2017.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal, level percentage of pay
Amortization method	Level dollar payments, open
Amortization period	30 years
Asset valuation method	Market value of trust assets
Inflation	3.0% per year
Healthcare cost trend rates	Actual increase in 2017, fluctuates between 5.3% and 5.5% per year through 2027; increases to a high of 6.5% in 2029, before gradually decreasing (with some minor fluctuations) to a 4.4% ultimate trend rate in 2094 and beyond.
Salary increases	3.25% per year for service cost increases
Investment rate of return	5.50%
Retirement age	Based on December 31, 2015 Oregon PERS actuarial valuation.
Mortality	Based on December 31, 2015 Oregon PERS actuarial valuation Fully generational mortality improvement based on Bickmore Scale 2017.

**CLACKAMAS COUNTY, OREGON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

1. Adjustments from budgetary basis of accounting to GAAP

The County has certain governmental funds maintained for budgetary purposes that do not meet the definition of Special Revenue Funds or Capital Projects Funds for GAAP reporting purposes. At year-end, the ending fund balances for these funds fold in with the General Fund.

2. Stewardship, Compliance, and Accountability

The Board adopts a resolution authorizing appropriations for each fund, which establishes the level by which expenditures cannot legally exceed appropriations. Appropriations are established at the department level for the General Fund and at the organization unit for other funds – general government, public protection, public ways and facilities, health and human services, economic development, and culture, education and development.

3. Appropriations and Budgetary Controls Description

In accordance with Oregon Revised Statutes, the County budgets all funds, except fiduciary funds and the Housing Authority, which legally does not require a budget. All budgetary schedules are presented on the budgetary basis, which requires adjustments to convert to the accrual basis of accounting (presented on the individual schedules). Expenditure budgets are appropriated by major department level or organizational unit level for each fund. These appropriations establish the legal level of control for each fund. Expenditure appropriations may not be legally over-expended, except in the case of reimbursable grant expenditures and trust monies that could not be reasonably estimated at the time the budget was adopted. After budget approval, the Board of Commissioners may approve supplemental appropriations and appropriation transfers between the levels of control if an occurrence, condition, or need exists which was not known at the time the budget was adopted. The County had four supplemental budgets during the year ended June 30, 2017. Both the original adopted budget and the revised budget comparisons are presented in the accompanying budgetary schedules. Appropriations lapse at the end of the fiscal year. The following major fund included in the Required Supplementary Information had excess expenditures over appropriations for the fiscal year-end:

	<u>Amount</u>
General Fund	
Treasurer	\$ 3,610
Debt service	38,964

GOVERNMENTAL FUNDS REPORTED IN GENERAL FUND

The General Fund includes certain governmental funds maintained for budgetary purposes that do not meet the definition of Special Revenue Funds or Capital Projects Funds for GAAP reporting purposes. At year-end, the ending fund balance for these funds fold in with the General Fund. Those funds are as follows:

Employer Contributions Reserve Fund – The Employer Contribution Reserve fund was established to hold monies to be used to help offset increases in County contributions to the Public Employees Retirement System. Initial funding was provided by proceeds from the demutualization of two insurance providers, a refund of reserves held by the insurance company and interest earnings. The primary source of revenue is now transfers from the General Fund.

Dog Services Fund – The Dog Services Fund provides for recording revenues and expenditures to carry out the enforcement of all County and State laws relating to the control of dogs within the County. Resources are the result of fees assessed for dog licenses, kenneling and disposal services, and adoption of dogs from the shelter.

Health, Housing & Human Services Fund – The human services functions of Clackamas County are recorded in their respective funds to more closely track the revenues and expenditures associated with each program. Only the administrative costs of the Human Services Director and his staff who oversee and coordinate the various programs are recorded in this Fund.

Planning Fund – The Planning Fund accounts for fees and expenditures to carry out long and short term planning activities throughout Clackamas County.

Resolution Services Fund - The Family Court Service Fund accounts for activities needed to provide counseling and mediation for couples and families through all phases of divorce proceedings. Funding is derived mainly from a portion of the County marriage license fee, as well as divorce filing fees.

Parks Fund - The Parks Fund was established to account for costs related to the operation and maintenance of 19 county park sites including camp sites, picnic sites, ball fields, volleyball courts, boat ramps and marina, hiking trails and play structures available for public use. Revenues for the Fund are derived primarily from user fees, state grants for specific improvement projects, and reimbursements from the State for recreational vehicle fees and marine fuel taxes.

Code Enforcement and Sustainability Fund - The Code Enforcement and Sustainability Fund administers refuse collection franchises, recycling programs, plumbing and building code enforcement, and waste management ordinances in Clackamas County. Revenue is primarily from franchise fees and other enforcement fees, as well as joint grant funded special projects with METRO.

LID Capital Projects Fund – The Local Improvement District (LID) Construction Fund provides interim financing for LID projects during construction. Bonding may take place upon completion of the project. Revenues come from fund balance carried forward from previous years, interest and short-term borrowing. Expenditures are generally comprised of professional services and contracted service payments to outside providers.

SUPPLEMENTARY INFORMATION

CLACKAMAS COUNTY, OREGON
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2017

	General Fund	Employer Contributions Reserve Fund	Dog Services Fund	Health, Housing & Human Services Fund	Parks Fund	Planning Fund	Resolution Services Fund	Code Enforcement & Sustainability Fund	LID Construction Fund	Total General Fund
ASSETS										
Cash and investments	\$ 93,426,956	\$ 2,685,280	\$ 1,193,941	\$ 833,890	\$ 915,142	\$ 1,435,824	\$ 118,211	\$ 2,269,930	\$ 540,978	\$ 103,418,152
Taxes receivable	6,841,985	-	-	-	-	-	-	-	-	6,841,985
Accounts receivable	947,378	-	4,074	9,086	144,497	17,489	15,865	217	-	1,138,606
Assessment receivable	-	-	-	-	-	-	-	-	16,219	16,219
Grants receivable	222	-	-	9,173	223,377	-	-	19,767	-	252,539
Due from other funds	3,396,083	-	-	-	-	4,400	17,593	-	-	3,418,076
Prepaid items	97,984	-	-	110	-	-	-	2,142	-	100,236
TOTAL ASSETS	\$ 104,710,608	\$ 2,685,280	\$ 1,198,015	\$ 862,259	\$ 1,283,016	\$ 1,467,713	\$ 149,669	\$ 2,292,056	\$ 567,197	\$ 116,186,813
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 1,400,000	\$ -	\$ 8,851	\$ 5,495	\$ 35,414	\$ 27,878	\$ 2,365	\$ 17,810	\$ -	\$ 1,490,011
Accrued payroll	5,203,035	-	50,580	40,234	51,919	98,489	49,153	87,084	-	5,581,094
Due to other funds	-	-	1,971	5,516	5,372	-	-	12,136	-	24,995
Unearned revenue	-	-	-	-	-	-	-	-	16,219	16,219
Deposits	300,943	-	2,636	-	-	-	-	-	-	303,579
TOTAL LIABILITIES	6,904,978	-	62,038	51,245	92,705	126,165	52,118	116,830	16,219	7,421,898
Deferred Inflows of Resources:										
Unavailable revenue	6,735,827	-	297,346	-	-	-	-	-	-	7,033,173
TOTAL DEFERRED INFLOWS OF RESOURCES	6,735,827	-	297,346	-	-	-	-	-	-	7,033,173
Fund balances:										
Non-spendable	97,984	-	-	110	-	-	-	2,142	-	100,236
Restricted	66,165,794	-	-	-	-	-	-	-	-	66,165,794
Unassigned	24,006,425	2,685,280	838,631	800,904	1,190,311	1,331,548	97,551	2,173,084	540,978	34,464,712
TOTAL FUND BALANCES	91,070,203	2,685,280	838,631	801,014	1,190,311	1,331,548	97,551	2,175,226	540,978	100,730,742
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 104,710,608	\$ 2,685,280	\$ 1,198,015	\$ 862,259	\$ 1,283,016	\$ 1,467,713	\$ 149,669	\$ 2,292,056	\$ 567,197	\$ 116,186,813

CLACKAMAS COUNTY, OREGON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Employer Contributions Reserve Fund	Dog Services Fund	Health, Housing & Human Services Fund	Parks Fund	Planning Fund	Resolution Services Fund	Code Enforcement & Sustainability Fund	LID Construction Fund	Total General Fund
REVENUES:										
Property taxes	\$ 116,939,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,939,197
Licenses and permits	2,147,560	-	676,880	-	636,064	85,424	23,460	1,889,643	-	5,559,031
Fines, forfeitures, and penalties	7	-	21,074	-	-	13,909	-	9,068	-	44,058
Interest	-	18,564	6,916	10,263	1,649	-	-	13,785	3,914	55,091
Intergovernmental	7,014,308	-	-	-	1,026,981	98,895	102,205	439,211	-	8,682,399
Charges for services	17,368,634	-	60,981	870,845	240,552	913,194	836,569	1,127,346	-	21,446,121
Contributors	-	-	14,434	-	66,160	-	-	-	-	80,594
Reimbursements	17,231,340	-	4,250	-	-	-	-	-	-	17,235,590
Miscellaneous	1,082,322	-	6,520	-	35,402	1,836	7	38,082	-	1,164,169
TOTAL REVENUES	161,814,998	18,564	791,060	881,108	2,006,808	1,113,358	962,301	3,646,188	3,914	171,237,899
EXPENDITURES:										
Current:										
General government	58,634,328	-	-	-	-	-	1,453,209	2,907,438	-	62,994,975
Public protection	-	-	-	-	-	-	-	-	94	94
Health and human services	-	-	2,037,511	1,404,648	-	-	-	-	-	3,442,159
Economic development	-	-	-	-	-	3,290,681	-	-	-	3,290,681
Culture, education and recreation	-	-	-	-	1,753,539	-	-	-	-	1,753,539
Debt service:										
Principal	189,495	-	-	-	-	-	-	-	-	189,495
Interest and fiscal charges	54,808	-	-	-	-	-	-	-	-	54,808
Capital outlay	312,481	-	11,150	-	695,612	-	-	-	33,738	1,052,921
TOTAL EXPENDITURES	59,191,112	-	2,048,701	1,404,648	2,449,051	3,290,681	1,453,209	2,941,176	94	72,778,672
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	102,623,486	18,564	(1,257,641)	(523,540)	(442,243)	(2,177,323)	(490,908)	705,012	3,820	98,459,227
OTHER FINANCING SOURCES (USES):										
Issuance of debt	59,000,000	-	-	-	-	-	-	-	-	59,000,000
Premium from debt issuance	7,165,794	-	-	-	-	-	-	-	-	7,165,794
Transfers in	1,649,210	350,000	1,492,324	596,493	1,174,207	2,570,678	542,433	112,503	-	8,487,848
Transfers out	(104,717,527)	-	-	(233,886)	-	-	-	-	-	(104,951,413)
TOTAL OTHER FINANCING SOURCES (USES)	(36,902,523)	350,000	1,492,324	362,607	1,174,207	2,570,678	542,433	112,503	-	(30,297,771)
NET CHANGE IN FUND BALANCES	65,720,963	368,564	(234,863)	(160,933)	731,964	393,355	51,525	817,515	3,820	68,161,456
FUND BALANCE, JUNE 30, 2016	25,349,240	2,316,716	603,948	961,947	458,347	938,193	46,026	1,367,711	537,158	32,569,286
FUND BALANCE, JUNE 30, 2017	\$ 91,070,203	\$ 2,685,280	\$ 838,631	\$ 801,014	\$ 1,190,311	\$ 1,331,548	\$ 97,551	\$ 2,175,226	\$ 540,978	\$ 100,730,742

CLACKAMAS COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
ASSETS				
Cash and investments	\$ 106,376,194	\$ 3,015,124	\$ 18,667,262	\$ 128,058,580
Taxes receivable	2,563,805	132,406	-	2,696,211
Accounts receivable	7,306,434	-	2,346,436	9,652,870
Assessment receivable	-	61,950	-	61,950
Grants receivable	6,886,193	-	11,427	6,897,620
Notes and loans receivable	14,323,779	-	146,608	14,470,387
Due from other funds	888,904	34,738	-	923,642
Property held for sale	253,163	-	7,296,774	7,549,937
Prepaid items	592,426	-	-	592,426
Interfund loan receivable	857,078	-	-	857,078
TOTAL ASSETS	\$ 140,047,976	\$ 3,244,218	\$ 28,468,507	\$ 171,760,701
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 6,261,842	\$ -	\$ 829,603	\$ 7,091,445
Accrued payroll	3,835,711	-	-	3,835,711
Due to other funds	5,816,700	-	287,102	6,103,802
Unearned revenue	6,653,962	-	-	6,653,962
Deposits	913,247	-	19,286	932,533
TOTAL LIABILITIES	23,481,462	-	1,135,991	24,617,453
Deferred Inflows of Resources:				
Unavailable revenue	6,956,549	181,766	-	7,138,315
TOTAL DEFERRED INFLOWS OF RESOURCES	6,956,549	181,766	-	7,138,315
Fund balances:				
Nonspendable	592,426	-	-	592,426
Restricted	71,175,380	2,940,776	15,530,846	89,647,002
Committed	3,353,423	-	-	3,353,423
Assigned	34,488,736	121,676	11,801,670	46,412,082
TOTAL FUND BALANCES	109,609,965	3,062,452	27,332,516	140,004,933
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 140,047,976	\$ 3,244,218	\$ 28,468,507	\$ 171,760,701

CLACKAMAS COUNTY, OREGON
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES:				
Property taxes	\$ 43,937,607	\$ 2,723,261	\$ -	\$ 46,660,868
Other taxes	4,485,340	-	-	4,485,340
Licenses and permits	15,206,808	-	-	15,206,808
Fines, forfeitures, and penalties	4,749,725	-	-	4,749,725
Special assessment collections	625,641	19,803	-	645,444
Interest	885,007	56,047	176,935	1,117,989
Intergovernmental	74,218,383	-	521,583	74,739,966
Charges for services	40,991,830	3,362,414	412,598	44,766,842
Contributions	476,773	-	-	476,773
Reimbursements	1,776,430	-	-	1,776,430
Miscellaneous	1,623,971	2,401	207,402	1,833,774
TOTAL REVENUES	188,977,515	6,163,926	1,318,518	196,459,959
EXPENDITURES:				
Current:				
General government	\$ 7,058,429	\$ -	\$ -	\$ 7,058,429
Public protection	58,210,817	-	-	58,210,817
Public ways and facilities	223,556	-	4,799,936	5,023,492
Health and human services	88,358,170	-	-	88,358,170
Economic development	11,617,772	-	-	11,617,772
Culture, education and recreation	39,232,507	700	-	39,233,207
Debt service:				
Principal	4,257,719	6,525,000	-	10,782,719
Interest and fiscal charges	139,434	4,143,608	-	4,283,042
Capital outlay	2,101,963	-	10,904,823	13,006,786
TOTAL EXPENDITURES	211,200,367	10,669,308	15,704,759	237,574,434
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(22,222,852)	(4,505,382)	(14,386,241)	(41,114,475)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	678,312	678,312
Transfers in	39,933,802	6,717,337	10,581,776	57,232,915
Transfers out	(10,279,162)	(3,500,000)	(135,000)	(13,914,162)
TOTAL OTHER FINANCING SOURCES (USES)	29,654,640	3,217,337	11,125,088	43,997,065
NET CHANGE IN FUND BALANCE	7,431,788	(1,288,045)	(3,261,153)	2,882,590
FUND BALANCE, JUNE 30, 2016	102,178,177	4,350,497	30,593,669	137,122,343
FUND BALANCE, JUNE 30, 2017	\$ 109,609,965	\$ 3,062,452	\$ 27,332,516	\$ 140,004,933

NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue 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. Funds included in this fund category are:

Community Development Fund – The Community Development Fund is the Division responsible for providing housing and improving the suitable living environment of low and moderate-income people and communities through the County. Utilizing funds primarily from the U.S. Department of Housing and Urban Development (HUD), the Division undertakes a variety of affordable housing, neighborhood improvement, community facility, public works, public services and historic preservation projects.

Children, Youth & Families Fund - The OFC Children and Families Fund administers funding and programs targeted at young people throughout Clackamas County. Resources are primarily from State legislation enacted to carry out children's programs throughout Oregon.

County Fair Fund - The County Fair Fund accounts for activities related to the annual Clackamas County Fair. Funding is derived from admission fees, exhibitor fees, and proceeds from the County transient room tax.

Community Corrections Fund - The Community Corrections Fund accounts for the activities of the parole and probations officers, the Residential Work Release Center, and the Electronic Surveillance Program, all components of the Community Corrections Division. This program, established by the Community Corrections Act of 1977, and funded by the County General Fund and State dollars, is intended to provide alternatives to imprisonment for nonviolent and other offenders.

County School Fund - The County School Fund is the pass-through repository of the contributions to school districts in the County, as well as from a portion of the Mt. Hood Forest Reserves and Forest Products Severance Tax receipts. Monies collected in this fund are distributed to the school districts by the County Treasurer.

Building Codes Fund - The Building Codes Fund was created to record receipts and expenditures related to building activity within the County. The Fund is entirely fee supported and is the third largest building permit issuing body in the State of Oregon.

Community Solutions Fund – Community Solutions is the Division that provides a range of training services to persons wishing to re-renter the workforce, and those suffering job displacement. The Division also provides services to business operators who hire Community Solutions trainees to provide work experience. The primary funding source is federal dollars passed through the State of Oregon. Also accounted for in this fund is the weatherization program which provides low-income homeowners and renters with home energy conservation assistance.

Law Library Fund - The Law Library Fund exists to provide legal reference materials to Clackamas County citizens by way of a library located in the courthouse. Funding for the material purchases and staffing is received from a portion of legal fees assessed through court filings.

Library Network Fund – The Library Network Fund receives receipts from property taxes received by the General Fund. Proceeds from the levy are distributed to participating cities in the County as well as to the County Library and its branches to help fund operations of the branches, as well as maintenance of the County-wide library computer data network.

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Business & Economic Development Fund - The Business and Economic Development Fund assists in the expansion and relocation of businesses, assists rural communities in their economic development efforts; increases the industrial land base; increases trade sector economic output; promotes a healthy business climate, serves as liaison and advocate for commercial enterprises and implements initiatives to expand the economic base of the County.

Public Land Corner Preservation Fund - The Public Land Corner Preservation Fund was created to account for fees assessed on property transactions in the County. Fees collected are used for monument restoration, the GIS system and engineering functions.

Social Services Fund - Programs funded by federal and state governments aimed at elderly, low income and indigent residents of the County are provided through this Fund. Included are fuel and emergency energy assistance programs, rent assistance, migrant assistance programs for casual agricultural laborers, the Area Agency on Aging (AAA) and many other emergency and nonemergency assistance functions using County staff and a huge force of volunteers. The funding for these efforts is a mix of federal, state and County General Fund dollars.

Disaster Management Fund – The Disaster Management Fund accounts for the operation of the Disaster Management Department. The Department is comprised of two divisions. The Disaster Management Division is responsible for planning and implementing prevention, mitigation, preparedness, response and recovery activities to prevent loss of life and minimize impacts from disasters. The Medical Examiner's Office Division is responsible for investigating deaths occurring under violent, questionable or unexplained circumstances.

Juvenile Fund - The Juvenile Fund provides counseling, detention, investigation and administrative support services to children whose conduct or circumstances bring them within the jurisdiction of the Juvenile Court.

Transient Room Tax Fund - The Transient Room Tax Fund was established to account for receipts from Countywide hotel and motel tax. The proceeds are then distributed to the County Fair Fund and the Associated Chambers of Commerce, to be used for the promotion of tourism and recreation in Clackamas County.

Transportation System Development Charge Fund - This fund was created to account for proceeds of the County's systems development charges. These charges fund transportation infrastructure capacity improvements. The charge is levied on all new building permit applicants, using a rating system designed to estimate the impact of the proposed structure's use of County roadway systems. This impact translates to a charge, the proceeds of which are held to help offset the costs of future roadway improvement projects which increase roadway capacity. Also funded are the costs of the Transportation System Development Charge Fund's administration.

District Attorney Fund - The District Attorney Fund provides staffing to represent the State of Oregon in all misdemeanor and felony criminal prosecution, administering the collection of child support and providing victim assistance services.

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Justice Court Fund - The County Board of Commissioners (BCC) has established a Justice of the Peace District in Clackamas County to increase public access to courts and to promote traffic safety in the public interest. The Justice Court Fund accounts for the activities of this Clackamas County Justice Court.

Public Safety Local Option Levy Fund - This Fund accounts for revenues and expenditures generated by the public safety local option levy passed by voters in 2006. The revenue generated by this levy is dedicated to public safety and is used to pay for staff to reopen jail beds, add patrol positions and expand enforcement efforts to combat methamphetamine abuse and other crimes.

Property Management Fund - The Property Management Fund was created to account for revenues and expenditures associated with the use of County-owned facilities.

County Safety Net Legislation Local Projects Fund - The Fund accounts for the revenues and expenditures related to the "Secure Rural Schools and Community Self-Determination Act of 2000".

Happy Valley/ Clackamas Joint Transportation Fund - The Fund accounts for the collection of transportation system development fees for the purpose of constructing extra capacity improvements arising from new developments.

Tourism Development Fund - The Tourism Development Fund accounts for the revenue and expenditures associated with the development of tourism in the County.

Forest Management Fund - The Forest Management Fund accounts for the intergovernmental sales of County owned timber and timberland.

Behavioral Health Fund – The Behavioral Health Fund contracts with Health Share of Oregon to manage mental health benefits for Oregon Health Plan enrollees in Clackamas County and is funded through the contract on a per-member, per-month basis.

Public Health Fund – The Public Health Fund provides essential public health services and receives the major sources of funding through federal, state and local grants.

Clackamas Health Centers Fund – The Clackamas Health Centers Fund operates clinics that are designated as Federally Qualified Health Centers which receives the majority of its funding through patient fees and additional revenue comes from combinations of federal, state and local grant funds.

North Clackamas Parks and Recreation District Fund - The North Clackamas Parks and Recreation District Fund administers the construction or acquisition of parks and recreational facilities, provides recreational programs, and maintains new and existing parks and open spaces.

North Clackamas Parks and Recreation District Nutrition and Transportation Fund - The Nutrition and Transportation Fund was created to account for receipts from donations and fundraising activities and expenditures related to the District's programs of providing meals and transportation services to elderly citizens living in the District.

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

North Clackamas Parks and Recreation District System Development Charges Zone 1 Fund - This Fund was created to account for System Development Charges received for the area within the City of Milwaukie.

North Clackamas Parks and Recreation District System Development Charges Zone 2 Fund - This Fund was created to account for System Development Charges received for the area west of Interstate 205, not included in the City of Milwaukie.

North Clackamas Parks and Recreation District System Development Charges Zone 3 Fund - This Fund was created to account for System Development Charges received for the area east of Interstate 205.

Clackamas County Enhanced Law Enforcement District Fund - The Clackamas County Enhanced Law Enforcement District administers additional law enforcement services in the unincorporated urban area of Clackamas County.

Clackamas County Extension and 4-H Service District Fund - This fund was created to account for Oregon State University (OSU) educational agricultural extension programs in Clackamas County.

Library District of Clackamas County Fund - This fund was created to account for financial support provided to the library service providers of Clackamas County.

CLACKAMAS COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Community Development Fund	Children, Youth & Families Fund	County Fair Fund	Community Corrections Fund	County School Fund	Building Codes Fund	Community Solutions Fund	Law Library Fund	Library Network Fund
ASSETS									
Cash and investments	\$ 1,044,767	\$ 175,954	\$ 655,774	\$ 3,652,058	\$ 64,303	\$ 6,396,782	\$ 390,056	\$ 405,337	\$ 5,172,623
Taxes receivable	-	-	-	-	-	-	-	-	-
Accounts receivable	-	134	31,908	40,487	-	35,657	-	-	634,880
Grants receivable	625,140	1,834,591	-	-	-	-	416,745	-	3,620
Notes and loans receivable	13,830,446	-	-	-	-	-	-	-	-
Due from other funds	63,314	93,799	-	-	-	-	-	-	-
Property held for sale	-	-	-	-	-	-	-	-	-
Prepaid items	1,041	-	20,400	87,710	-	-	839	-	-
Interfund loan receivable	857,078	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 18,421,796	\$ 2,104,478	\$ 708,082	\$ 3,780,255	\$ 64,303	\$ 6,432,439	\$ 807,640	\$ 405,337	\$ 5,811,123
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 214,853	\$ 900,765	\$ 11,520	\$ 54,297	\$ -	\$ 128,547	\$ 92,956	\$ 14,559	\$ 1,078,840
Accrued payroll	44,086	44,519	4,168	395,485	-	174,227	92,927	8,401	69,604
Due to other funds	-	-	-	125,626	-	30,742	2,269	-	611
Unearned revenue	827,506	-	-	-	-	-	-	-	-
Deposits	2,900	-	163,571	20	-	743,773	-	-	-
TOTAL LIABILITIES	1,089,345	945,284	179,259	575,408	-	1,077,289	188,152	22,960	1,146,055
Deferred Inflows of Resources:									
Unavailable Revenue	-	199,961	-	-	-	469	1,357	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	199,961	-	-	-	469	1,357	-	-
Fund balances:									
Nonspendable	1,041	-	20,400	87,710	-	-	839	-	-
Restricted	15,331,400	-	508,423	-	64,303	5,354,681	-	382,377	4,685,068
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	959,233	-	3,117,137	-	-	617,292	-	-
TOTAL FUND BALANCES	15,332,441	959,233	528,823	3,204,847	64,303	5,354,681	618,131	382,377	4,685,068
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 18,421,796	\$ 2,104,478	\$ 708,082	\$ 3,780,255	\$ 64,303	\$ 6,432,439	\$ 807,640	\$ 405,337	\$ 5,811,123

CLACKAMAS COUNTY, OREGON
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Business & Economic Development Fund	Public Land Corner Preservation Fund	Social Services Fund	Disaster Management Fund	Juvenile Fund	Transient Room Tax Fund	Transportation System Development Charge Fund	District Attorney Fund	Justice Court Fund
ASSETS									
Cash and investments	\$ 2,829,388	\$ 1,002,171	\$ 2,117,967	\$ 855,026	\$ 2,814,281	\$ 206,752	\$ 6,775,240	\$ 1,098,621	\$ 1,467,760
Taxes receivable	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	189	782	73,576	422,202	-	44,285	15,557
Grants receivable	963	-	1,838,097	72,000	404,173	-	-	523,234	-
Notes and loans receivable	-	-	-	-	-	-	413,759	-	-
Due from other funds	-	-	-	-	-	-	-	1,181	-
Property held for sale	-	-	-	-	-	-	-	-	-
Prepaid items	1,224	-	89,434	-	12,023	-	224,021	28,407	11,264
Interfund loan receivable	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 2,831,565	\$ 1,002,171	\$ 4,045,687	\$ 927,806	\$ 3,304,053	\$ 628,954	\$ 7,414,201	\$ 1,694,547	\$ 1,494,581
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 79,234	\$ 34	\$ 478,949	\$ 14,884	\$ 107,141	\$ -	\$ 14,482	\$ 141,943	\$ 322,209
Accrued payroll	56,453	18,775	370,531	56,954	203,023	-	-	377,272	25,106
Due to other funds	-	519	53,178	802	13,108	431,389	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	141,325	19,328	903,058	74,240	323,272	431,389	14,482	541,277	347,315
Deferred Inflows of Resources:									
Unavailable Revenue	-	-	57,582	-	431,431	-	224,021	308,767	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	57,582	-	431,431	-	224,021	308,767	-
Fund balances:									
Nonspendable	1,224	-	89,434	-	12,023	-	224,021	28,407	11,264
Restricted	2,689,016	982,843	657,069	-	2,537,327	197,561	6,951,677	-	1,136,002
Committed	-	-	-	-	-	-	-	-	816,096
Assigned	-	-	2,338,544	853,568	-	-	-	-	-
TOTAL FUND BALANCES	2,690,240	982,843	3,085,047	853,568	2,549,350	197,561	7,175,698	844,503	1,147,266
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 2,831,565	\$ 1,002,171	\$ 4,045,687	\$ 927,806	\$ 3,304,053	\$ 628,954	\$ 7,414,201	\$ 1,694,547	\$ 1,494,581

CLACKAMAS COUNTY, OREGON
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Public Safety Local Option Levy Fund	Property Management Fund	County Safety Net Legislation Local Projects Fund	Happy Valley/Clackamas Joint Transportation Fund	Tourism Development Fund	Forest Management Fund	Behavioral Health Fund	Public Health Fund	Clackamas Health Centers
ASSETS									
Cash and investments	\$ 585,075	\$ 1,794,360	\$ 315,773	\$ 5,478,957	\$ 774,663	\$ 2,631,633	\$ 10,610,607	\$ 208,063	\$ 12,954,230
Taxes receivable	636,955	-	-	78,820	2,817	-	-	-	-
Accounts receivable	23,742	-	-	19,463	321,462	5,433,187	-	533,349	591,271
Grants receivable	-	-	-	-	-	29,378	-	-	-
Notes and loans receivable	-	44,804	-	34,770	-	-	-	-	-
Due from other funds	263,117	-	-	-	302,097	-	-	-	162,349
Property held for sale	-	253,163	-	-	-	-	-	-	-
Prepaid items	-	-	-	45,123	25,902	-	13,464	-	16,857
Interfund loans receivable	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 1,508,989	\$ 2,092,327	\$ 315,773	\$ 5,637,270	\$ 1,105,479	\$ 2,661,011	\$ 10,643,634	\$ 1,092,774	\$ 19,137,874
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ 8,990	\$ -	\$ 14,483	\$ 167,558	\$ 148	\$ 1,433,410	\$ 386,372	\$ 223,384
Accrued payroll	351,082	8,810	-	53,282	16,260	323,775	298,191	931,760	-
Due to other funds	-	690	-	470	-	298,513	1,889	-	-
Unearned revenue	-	-	-	-	-	5,826,456	-	-	-
Deposits	-	-	-	-	-	-	-	-	2,983
TOTAL LIABILITIES	351,082	15,490	-	14,953	220,840	16,408	7,862,154	696,452	1,158,127
Deferred Inflows of Resources:									
Unavailable Revenue	585,063	-	315,773	45,123	-	853	-	-	3,045,887
TOTAL DEFERRED INFLOWS OF RESOURCES	585,063	-	315,773	45,123	-	853	-	-	3,045,887
Fund balances:									
Nonspendable	-	-	-	45,123	25,902	-	13,464	-	16,857
Restricted	572,444	2,076,837	-	5,532,071	-	-	-	-	-
Committed	-	-	-	-	-	2,643,750	2,747,916	466,322	14,917,003
Assigned	-	-	-	-	858,737	-	-	-	-
TOTAL FUND BALANCES	572,444	2,076,837	-	5,577,194	884,639	2,643,750	2,761,380	466,322	14,933,860
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 1,508,989	\$ 2,092,327	\$ 315,773	\$ 5,637,270	\$ 1,105,479	\$ 2,661,011	\$ 10,643,634	\$ 1,092,774	\$ 19,137,874

CLACKAMAS COUNTY, OREGON
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	North Clackamas Parks and Recreation District Fund	North Clackamas Parks and Recreation District Numbert and Transportation Fund	North Clackamas Parks and Recreation District SDC Charge Zone 1 Fund	North Clackamas Parks and Recreation District SDC Charge Zone 2 Fund	North Clackamas Parks and Recreation District SDC Charge Zone 3 Fund	Clackamas County Enforcement District Fund	Clackamas County Extension and 4-H Service District Fund	Library District of Clackamas County Fund	Total
ASSETS									
Cash and investments	\$ 5,506,672	\$ 365,820	\$ 1,296,501	\$ 1,553,771	\$ 12,210,179	\$ 4,389,549	\$ 5,950,569	\$ 2,625,313	\$ 106,376,195
Taxes receivable	402,517	-	-	-	-	394,707	126,763	1,003,163	2,563,805
Accounts receivable	60,215	162	-	-	90,670	-	-	-	7,306,433
Grants receivable	-	-	-	-	-	-	-	-	6,986,193
Notes and loans receivable	-	-	-	-	-	-	-	-	14,323,779
Due from other funds	-	-	-	13,047	-	-	-	-	888,904
Property held for sale	-	-	-	-	-	-	-	-	253,163
Prepaid items	14,375	342	-	-	-	-	-	-	592,426
Interfund loans receivable	-	-	-	-	-	-	-	-	857,078
TOTAL ASSETS	\$ 6,983,779	\$ 366,324	\$ 1,309,548	\$ 1,553,771	\$ 12,300,849	\$ 4,784,256	\$ 6,077,332	\$ 3,628,476	\$ 140,047,976
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 220,779	\$ 13,010	\$ -	\$ -	\$ -	\$ -	\$ 141,495	\$ -	\$ 6,261,842
Accrued payroll	711,878	53,216	-	2,420	496	4,063,220	-	-	3,835,711
Due to other funds	-	-	-	-	-	-	-	-	5,816,700
Unearned revenue	-	-	-	-	-	-	-	-	6,653,962
Deposits	-	-	-	-	-	-	-	-	913,527
TOTAL LIABILITIES	932,657	66,226	-	2,420	496	4,063,220	141,495	-	23,481,462
Deferred Inflows of Resources:									
Unavailable Revenue	367,269	-	-	-	-	349,763	114,790	908,440	6,956,549
TOTAL DEFERRED INFLOWS OF RESOURCES	367,269	-	-	-	-	349,763	114,790	908,440	6,956,549
Fund balances:									
Nonspendable	14,375	342	-	-	-	-	-	-	592,426
Restricted	-	-	1,309,548	1,551,351	12,300,353	371,273	5,821,047	2,720,036	71,175,380
Committed	-	-	-	-	-	-	-	-	3,303,623
Assigned	4,669,478	299,756	-	-	-	-	-	-	34,488,736
TOTAL FUND BALANCES	4,683,853	300,098	1,309,548	1,551,351	12,300,353	371,273	5,821,047	2,720,036	109,609,965
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 6,983,779	\$ 366,324	\$ 1,309,548	\$ 1,553,771	\$ 12,300,849	\$ 4,784,256	\$ 6,077,332	\$ 3,628,476	\$ 140,047,976

**CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Community Development Fund	Children, Youth & Families Fund	County Fair Fund	Community Corrections Fund	County School Fund	Building Codes Fund	Community Solutions Fund	Law Library Fund	Library Network Fund
REVENUES:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	6,604,242	-	-	-
Fines, forfeitures, and penalties	-	-	-	648,227	-	9,740	-	-	12,745
Special assessment collections	-	-	-	-	-	-	-	-	-
Interest	68,844	863	2,465	31,576	254	45,857	235	4,254	45,715
Intergovernmental	3,494,439	5,223,989	56,778	9,795,603	63,671	-	2,930,520	-	9,394
Charges for services	209,552	409,159	1,043,997	297,270	-	286,678	448,389	353,059	862,563
Contributions	-	169	19,638	-	-	-	-	-	627
Reimbursements	540,584	-	256	-	-	65,379	-	-	1,545,926
Miscellaneous	-	-	137,627	47,527	-	3,448	8,032	-	1,127
TOTAL REVENUES	4,313,419	5,634,936	1,260,595	10,820,203	63,925	7,015,344	3,387,176	397,313	2,478,317
EXPENDITURES:									
Current:									
General government	-	-	-	14,592,902	-	6,145,028	-	-	-
Public protection	-	-	-	-	-	-	399,408	-	-
Public ways and facilities	-	-	-	-	-	-	-	-	-
Health and human services	-	6,133,578	-	-	-	-	-	-	-
Economic development	4,196,925	-	-	-	-	-	4,270,701	-	-
Culture, education and recreation	-	-	1,703,503	-	-	-	-	-	6,151,763
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	92,711	184,167	-	148,907	-	-	658,787
Capital outlay	18,719	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,215,644	6,133,578	1,796,214	14,777,069	-	6,293,935	4,270,701	399,408	6,810,550
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	97,775	(498,642)	(535,709)	(3,956,866)	63,925	721,409	(883,525)	(42,095)	(4,332,233)
OTHER FINANCING SOURCES (USES):									
Transfers in	148,801	1,314,461	449,390	4,376,391	-	-	966,077	-	2,230,371
Transfers out	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	148,801	1,314,461	449,390	4,376,391	-	-	966,077	-	2,230,371
NET CHANGE IN FUND BALANCE	246,576	815,819	(86,319)	419,525	63,925	721,409	82,552	(42,095)	(2,101,862)
FUND BALANCE, JUNE 30, 2016	15,085,865	143,414	615,142	2,785,322	378	4,633,272	535,579	424,472	6,766,930
FUND BALANCE, JUNE 30, 2017	\$ 15,332,441	\$ 969,233	\$ 528,823	\$ 3,204,847	\$ 64,303	\$ 5,354,681	\$ 618,131	\$ 382,377	\$ 4,665,068

**CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Business & Economic Development Fund	Public Land Corner Preservation Fund	Social Services Fund	Disaster Management Fund	Juvenile Fund	Transient Room Tax Fund	Transportation System Development Charge Fund	District Attorney Fund	Justice Court Fund
REVENUES:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	4,485,340	-	-	-
Licenses and permits	2,204	-	-	-	-	-	1,090,234	-	-
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-	4,078,591
Special assessment collections	-	-	-	-	-	-	-	-	15,353
Interest	29,035	6,736	9,366	4,960	-	-	-	-	47,649
Intergovernmental	2,260,821	-	16,251,155	319,502	1,896,018	-	-	-	1,929,931
Charges for services	1,034,892	797,769	2,211,774	328	339,939	-	11,639	-	365,794
Contributions	-	-	13,038	-	-	-	-	-	219
Reimbursements	-	-	-	8,456	-	-	-	-	244,475
Miscellaneous	-	-	8,723	45,209	346	-	-	-	2,757
TOTAL REVENUES	3,317,952	803,228	18,531,442	333,622	2,244,468	4,485,340	1,409,350	2,298,701	4,094,431
EXPENDITURES:									
Current:									
General government	-	-	-	2,118,810	9,324,871	-	-	-	-
Public protection	-	-	-	-	-	-	-	11,883,299	2,947,165
Public ways and facilities	-	-	-	-	-	-	126,503	-	-
Health and human services	-	-	20,617,520	-	-	-	-	-	-
Economic development	3,150,146	-	-	-	-	-	-	-	-
Culture, education and recreation	-	546,866	-	-	-	-	-	89,887	-
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	33,378	31,058	-	29,649	-	-	-	-
TOTAL EXPENDITURES	3,150,146	580,344	20,648,578	2,118,810	9,354,520	89,887	126,503	11,883,299	2,947,165
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	167,806	222,884	(2,117,136)	(1,785,188)	(7,110,052)	4,395,453	1,282,847	(9,584,598)	1,147,266
OTHER FINANCING SOURCES (USES):									
Transfers in	30,000	-	2,783,124	1,742,118	7,647,800	-	862,671	9,514,850	-
Transfers out	(63,000)	-	-	-	-	-	(4,404,481)	(571,019)	(1,305,683)
TOTAL OTHER FINANCING SOURCES (USES)	(33,000)	-	2,783,124	1,742,118	7,647,800	(4,404,481)	291,652	9,514,850	(1,305,683)
NET CHANGE IN FUND BALANCE	134,806	222,884	665,988	(43,070)	537,748	(9,026)	1,974,499	(69,748)	(158,417)
FUND BALANCE, JUNE 30, 2016	2,556,434	759,959	2,419,059	896,638	2,011,602	206,589	5,601,199	914,251	1,305,683
FUND BALANCE, JUNE 30, 2017	\$ 2,690,240	\$ 982,843	\$ 3,085,047	\$ 853,568	\$ 2,549,350	\$ 197,561	\$ 7,175,698	\$ 844,503	\$ 1,147,266

**CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Public Safety Local Option Levy Fund	Property Management Fund	County Safety Net Legislation Local Projects Fund	Happy Valley-Clackamas Joint Transportation Fund	Tourism Development Fund	Forest Management Fund	Behavioral Health Fund	Public Health Fund	Clackamas Health Centers
REVENUES:									
Property taxes	\$ 10,996,851	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	3,064,173	-	-	-	1,020,013	-
Fines, forfeitures, and penalties	-	-	-	-	-	422	-	-	-
Special assessment collections	-	-	-	610,288	-	-	-	-	-
Interest	12,153	12,298	2,923	45,808	8,562	-	70,485	2,373	87,792
Intergovernmental	95,928	-	119,193	-	229,428	74,156	19,764,783	3,462,959	5,772,101
Charges for services	-	509,788	-	500	-	333	805,622	2,349,751	26,478,354
Contributions	-	222,183	-	-	-	-	12,900	-	-
Reimbursements	-	-	-	-	-	-	138,194	18,219	-
Miscellaneous	-	122,452	-	-	-	-	5,672	7,884	27,910
	-	-	-	231,338	34,818	39,192	-	-	-
TOTAL REVENUES	11,104,932	866,721	122,116	3,952,107	272,828	114,103	20,797,656	6,861,299	32,386,157
EXPENDITURES:									
Current:									
General government	-	773,195	124,752	-	-	-	-	-	-
Public protection	10,737,849	-	-	-	-	-	-	-	-
Public ways and facilities	-	-	-	97,063	-	-	-	-	-
Health and human services	-	-	-	-	-	-	20,985,044	9,090,667	30,854,890
Economic development	-	-	-	-	-	-	-	-	-
Culture, education and recreation	-	-	-	-	4,567,115	697,331	-	-	-
Principal	-	-	-	4,162,719	-	-	-	-	-
Interest and fiscal charges	-	-	-	61,424	-	-	-	-	46,945
Capital outlay	-	-	-	-	-	834,391	-	-	-
TOTAL EXPENDITURES	10,737,849	773,195	124,752	4,311,196	4,567,115	1,531,722	20,985,044	9,090,667	30,901,835
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	367,083	93,526	(2,636)	(359,089)	(4,294,287)	(4,147,619)	(187,388)	(2,229,368)	1,484,322
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	4,234,450	-	998,389	2,011,933	522,976
Transfers out	-	-	-	(862,671)	-	(670,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(862,671)	4,234,450	(670,000)	998,389	2,011,933	522,976
NET CHANGE IN FUND BALANCE	367,083	93,526	(2,636)	(1,221,760)	(59,837)	(2,087,619)	811,001	(217,435)	1,987,298
FUND BALANCE, JUNE 30, 2016	205,361	1,963,311	2,636	6,798,954	944,476	4,731,369	1,950,379	683,757	12,946,562
FUND BALANCE, JUNE 30, 2017	\$ 572,444	\$ 2,076,837	\$ -	\$ 5,577,194	\$ 884,639	\$ 2,643,750	\$ 2,761,380	\$ 466,322	\$ 14,933,860

**CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	North Clackamas Parks and Recreation District Nutrition and Transportation District Fund	North Clackamas Parks and Recreation District SDC Charge Zone 1 Fund	North Clackamas Parks and Recreation District SDC Charge Zone 2 Fund	North Clackamas Parks and Recreation District System Development Charges Zone 3 Fund	Clackamas County Enhanced Law Enforcement District Fund	Clackamas County Extension and 4-11 Service District Fund	Library District of Clackamas County Fund	Total
REVENUES:								
Property taxes	\$ 6,865,996	\$ -	\$ -	\$ -	\$ 6,592,898	\$ 2,179,882	\$ 17,311,980	\$ 43,937,607
Other taxes	-	-	-	-	-	-	-	4,485,340
Licenses and permits	-	-	141,295	384,915	2,899,732	-	-	15,206,808
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	4,749,725
Special assessment collections	-	-	-	-	-	-	-	625,641
Interest	62,966	3,846	12,197	12,595	117,366	10,723	58,455	60,307
Intergovernmental	117,951	334,156	-	1,477	-	1,620	12,810	74,218,383
Charges for services	2,166,289	16,748	1,625	-	-	-	-	40,891,380
Contributions	30,792	175,607	-	-	-	-	-	476,773
Reimbursements	-	-	-	-	-	-	-	1,776,430
Miscellaneous	42,049	9,297	-	53,487	-	885	-	1,623,971
	-	-	-	-	-	-	-	-
TOTAL REVENUES	9,276,043	539,602	155,117	450,997	3,018,575	6,604,496	2,239,957	17,385,007
EXPENDITURES:								
Current:								
General government	-	-	6,479	7,498	1,477	-	-	7,058,429
Public protection	-	-	-	-	-	6,208,513	-	58,210,817
Public ways and facilities	-	-	-	-	-	-	-	223,566
Health and human services	-	676,471	-	-	-	-	-	88,358,170
Economic development	-	-	-	-	-	-	-	11,617,772
Culture, education and recreation	7,167,528	-	-	-	-	1,372,035	-	39,232,507
Principal	-	-	-	-	-	105,000	-	4,257,719
Interest and fiscal charges	-	-	-	-	-	78,010	-	139,434
Capital outlay	-	-	-	-	23,251	-	-	2,101,963
TOTAL EXPENDITURES	7,167,528	676,471	6,479	7,498	24,728	6,389,523	1,372,035	16,936,379
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,108,515	(136,819)	148,638	443,499	2,993,847	214,963	867,922	448,718
OTHER FINANCING SOURCES (USES):								
Transfers in	-	100,000	-	-	-	-	-	39,933,802
Transfers out	(1,803,329)	-	(102,649)	(39,555)	(456,775)	-	-	(10,279,162)
TOTAL OTHER FINANCING SOURCES (USES)	(1,803,329)	100,000	(102,649)	(39,555)	(456,775)	-	-	29,654,640
NET CHANGE IN FUND BALANCE	305,186	(36,819)	45,989	403,944	2,537,072	214,963	867,922	7,431,788
FUND BALANCE, JUNE 30, 2016	4,378,667	336,917	1,263,550	1,147,407	9,763,281	156,310	4,953,125	2,271,318
FUND BALANCE, JUNE 30, 2017	\$ 4,683,853	\$ 300,098	\$ 1,309,540	\$ 1,551,351	\$ 12,300,353	\$ 371,273	\$ 6,821,047	\$ 109,609,986

**CLACKAMAS COUNTY, OREGON
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 4,885,713	\$ 4,885,713	\$ 3,367,395	\$ (1,518,318)
Local	700,000	700,000	127,044	(572,956)
Total intergovernmental	5,585,713	5,585,713	3,494,439	(2,091,274)
Charges for services:				
Internal county services	220,000	220,000	209,552	(10,448)
Total charges for services	220,000	220,000	209,552	(10,448)
Miscellaneous:				
Interest	65,000	65,000	68,844	3,844
Total miscellaneous	65,000	65,000	68,844	3,844
TOTAL REVENUES	5,870,713	5,870,713	3,772,835	(2,097,878)
EXPENDITURES:				
Current - organizational unit:				
Economic development	6,838,174	6,738,174	3,984,878	2,753,296
Special payments	200,000	400,000	230,766	169,234
TOTAL EXPENDITURES	7,038,174	7,138,174	4,215,644	2,922,530
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,167,461)	(1,267,461)	(442,809)	824,652
OTHER FINANCING SOURCES (USES):				
Transfers in	48,801	148,801	148,801	-
Loans issued	500,000	500,000	355,734	(144,266)
TOTAL OTHER FINANCING SOURCES (USES)	548,801	648,801	504,535	(144,266)
NET CHANGE IN FUND BALANCE	(618,660)	(618,660)	61,726	680,386
FUND BALANCE, JUNE 30, 2016	618,660	618,660	583,191	(35,469)
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	644,917	\$ 644,917
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Notes and loans receivable, net			14,687,524	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 15,332,441	

**CLACKAMAS COUNTY, OREGON
CHILDREN, YOUTH & FAMILIES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 993,047	\$ 1,010,834	\$ 575,042	\$ (435,792)
State	2,692,461	5,129,003	4,553,947	(575,056)
Local	116,247	136,247	95,000	(41,247)
Total intergovernmental	3,801,755	6,276,084	5,223,989	(1,052,095)
Charges for services:				
Internal county services	414,614	426,614	409,159	(17,455)
Total charges for services	414,614	426,614	409,159	(17,455)
Miscellaneous:				
Reimbursements	-	-	256	256
Interest	-	-	863	863
Contributions	-	-	669	669
Total miscellaneous	-	-	1,788	1,788
TOTAL REVENUES	4,216,369	6,702,698	5,634,936	(1,067,762)
EXPENDITURES:				
Current - organizational unit:				
Health and human services	5,886,061	5,192,309	3,634,848	1,557,461
Special payments	645,108	2,968,264	2,498,730	469,534
TOTAL EXPENDITURES	6,531,169	8,160,573	6,133,578	2,026,995
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,314,800)	(1,457,875)	(498,642)	959,233
OTHER FINANCING SOURCES (USES):				
Transfers in	1,309,663	1,314,461	1,314,461	-
TOTAL OTHER FINANCING SOURCES (USES)	1,309,663	1,314,461	1,314,461	-
NET CHANGE IN FUND BALANCE	(1,005,137)	(143,414)	815,819	959,233
FUND BALANCE, JUNE 30, 2016	1,005,137	143,414	143,414	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 959,233	\$ 959,233

**CLACKAMAS COUNTY, OREGON
COUNTY FAIR FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
State	\$ 53,667	\$ 53,667	\$ 53,667	\$ -
Local	1,500	1,500	3,111	1,611
Total intergovernmental	55,167	55,167	56,778	1,611
Charges for services:				
Concessions	285,000	285,000	276,549	(8,451)
Rentals	254,800	254,800	323,329	68,529
Admissions, parking and entry fees	503,300	503,300	444,119	(59,181)
Total charges for services	1,043,100	1,043,100	1,043,997	897
Miscellaneous:				
Interest	800	800	2,465	1,665
Contributions	-	-	19,638	19,638
Other	148,000	148,000	137,627	(10,373)
Total miscellaneous	148,800	148,800	159,730	10,930
TOTAL REVENUES	1,247,067	1,247,067	1,260,505	13,438
EXPENDITURES:				
Current - organizational unit:				
Culture, education and recreation	2,112,763	2,212,763	1,796,214	416,549
Contingency	175,116	93,836	-	93,836
Special payments	5,000	5,000	-	5,000
TOTAL EXPENDITURES	2,292,879	2,311,599	1,796,214	515,385
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,045,812)	(1,064,532)	(535,709)	528,823
OTHER FINANCING SOURCES (USES):				
Transfers in	449,390	449,390	449,390	-
TOTAL OTHER FINANCING SOURCES (USES)	449,390	449,390	449,390	-
NET CHANGE IN FUND BALANCE	(596,422)	(615,142)	(86,319)	528,823
FUND BALANCE, JUNE 30, 2016	596,422	615,142	615,142	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 528,823	\$ 528,823

**CLACKAMAS COUNTY, OREGON
COMMUNITY CORRECTIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ -	\$ -	\$ 14,478	\$ 14,478
State	9,613,013	9,613,013	9,659,925	46,912
Local	125,000	125,000	121,200	(3,800)
Total intergovernmental	9,738,013	9,738,013	9,795,603	57,590
Charges for services:				
Client fees	87,000	87,000	89,817	2,817
Internal county services	97,605	97,605	207,453	109,848
Total charges for services	184,605	184,605	297,270	112,665
Fines, forfeitures, and penalties:				
Fines, forfeitures, and penalties	730,000	730,000	648,227	(81,773)
Total fines, forfeitures, and penalties	730,000	730,000	648,227	(81,773)
Miscellaneous:				
Other	50,587	50,587	47,527	(3,060)
Interest	3,500	3,500	31,576	28,076
Total miscellaneous	54,087	54,087	79,103	25,016
TOTAL REVENUES	10,706,705	10,706,705	10,820,203	113,498
EXPENDITURES:				
Current - organizational unit:				
Public protection	16,781,165	17,744,341	14,652,992	3,091,349
Special payments	124,077	124,077	124,077	-
TOTAL EXPENDITURES	16,905,242	17,868,418	14,777,069	3,091,349
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,198,537)	(7,161,713)	(3,956,866)	3,204,847
OTHER FINANCING SOURCES (USES):				
Transfers in	4,376,391	4,376,391	4,376,391	-
TOTAL OTHER FINANCING SOURCES (USES)	4,376,391	4,376,391	4,376,391	-
NET CHANGE IN FUND BALANCE	(1,822,146)	(2,785,322)	419,525	3,204,847
FUND BALANCE, JUNE 30, 2016	1,822,146	2,785,322	2,785,322	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 3,204,847	\$ 3,204,847

**CLACKAMAS COUNTY, OREGON
COUNTY SCHOOL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 350,600	\$ 350,600	\$ 63,671	\$ (286,929)
Total intergovernmental	350,600	350,600	63,671	(286,929)
Miscellaneous:				
Interest	200	200	254	54
Total miscellaneous	200	200	254	54
TOTAL REVENUES	350,800	350,800	63,925	(286,875)
EXPENDITURES:				
Special payments	351,100	351,178	-	351,178
TOTAL EXPENDITURES	351,100	351,178	-	351,178
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(300)	(378)	63,925	64,303
NET CHANGE IN FUND BALANCE	(300)	(378)	63,925	64,303
FUND BALANCE, JUNE 30, 2016	300	378	378	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 64,303	\$ 64,303

**CLACKAMAS COUNTY, OREGON
BUILDING CODES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Charges for services	\$ -	\$ -	\$ 2,491	\$ 2,491
Client fees	199,100	199,100	250,833	51,733
Internal county services	84,000	84,000	33,354	(50,646)
Total charges for services	283,100	283,100	286,678	3,578
Licenses and permits:				
Building	3,130,000	3,130,000	3,120,823	(9,177)
Mobile home	26,250	26,250	34,120	7,870
Plumbing	974,500	974,500	1,083,073	108,573
Electrical	1,726,250	1,726,250	1,841,805	115,555
Other	461,150	461,150	524,421	63,271
Total licenses and permits	6,318,150	6,318,150	6,604,242	286,092
Fines, forfeitures, and penalties:				
Fines, forfeitures, and penalties	20,000	20,000	9,740	(10,260)
Total fines, forfeitures, and penalties	20,000	20,000	9,740	(10,260)
Miscellaneous:				
Reimbursements	65,379	65,379	65,379	-
Interest	9,600	9,600	45,857	36,257
Other	26,500	26,500	3,448	(23,052)
Total miscellaneous	101,479	101,479	114,684	13,205
TOTAL REVENUES	6,722,729	6,722,729	7,015,344	292,615
EXPENDITURES:				
Current - organizational unit:				
General government	6,855,445	6,961,522	6,293,935	667,587
Contingency	2,000,000	1,869,479	-	1,869,479
TOTAL EXPENDITURES	8,855,445	8,831,001	6,293,935	2,537,066
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,132,716)	(2,108,272)	721,409	2,829,681
NET CHANGE IN FUND BALANCE	(2,132,716)	(2,108,272)	721,409	2,829,681
FUND BALANCE, JUNE 30, 2016	3,787,735	4,633,272	4,633,272	-
FUND BALANCE, JUNE 30, 2017	\$ 1,655,019	\$ 2,525,000	\$ 5,354,681	\$ 2,829,681

**CLACKAMAS COUNTY, OREGON
EMPLOYER CONTRIBUTIONS RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous:				
Interest	\$ 10,000	\$ 10,000	\$ 18,564	\$ 8,564
Total miscellaneous	10,000	10,000	18,564	8,564
TOTAL REVENUES	10,000	10,000	18,564	8,564
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,000	10,000	18,564	8,564
OTHER FINANCING SOURCES:				
Transfers in	700,000	700,000	350,000	(350,000)
TOTAL OTHER FINANCING SOURCES (USES)	700,000	700,000	350,000	(350,000)
NET CHANGE IN FUND BALANCE	710,000	710,000	368,564	(341,436)
FUND BALANCE, JUNE 30, 2016	2,312,459	2,316,716	2,316,716	-
FUND BALANCE, JUNE 30, 2017	\$ 3,022,459	\$ 3,026,716	\$ 2,685,280	\$ (341,436)

**CLACKAMAS COUNTY, OREGON
DOG SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Charges for services	\$ 1,500	\$ 1,500	\$ 100	\$ (1,400)
Shelter fees	45,000	45,000	60,881	15,881
Total charges for services	46,500	46,500	60,981	14,481
Licenses and permits:				
Animal licenses	450,000	450,000	656,846	206,846
Adoption fees	35,500	35,500	20,034	(15,466)
Total licenses and permits	485,500	485,500	676,880	191,380
Fines, forfeitures, and penalties:				
Fines, forfeitures, and penalties	15,500	15,500	21,074	5,574
Total fines, forfeitures, and penalties	15,500	15,500	21,074	5,574
Miscellaneous:				
Reimbursements	-	-	4,255	4,255
Interest	500	500	6,916	6,416
Contributions	20,000	20,000	14,434	(5,566)
Other	5,000	5,000	6,520	1,520
Total miscellaneous	25,500	25,500	32,125	6,625
TOTAL REVENUES	573,000	573,000	791,060	218,060
EXPENDITURES:				
Current - organizational unit:				
Health and human services	2,244,326	2,351,711	2,048,701	303,010
Contingency	156,430	58,632	-	58,632
TOTAL EXPENDITURES	2,400,756	2,410,343	2,048,701	361,642
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,827,756)	(1,837,343)	(1,257,641)	579,702
OTHER FINANCING SOURCES (USES):				
Transfers in	1,492,324	1,492,324	1,492,324	-
TOTAL OTHER FINANCING SOURCES (USES)	1,492,324	1,492,324	1,492,324	-
NET CHANGE IN FUND BALANCE	(335,432)	(345,019)	234,683	579,702
FUND BALANCE, JUNE 30, 2016	335,432	603,948	603,948	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ 258,929	\$ 838,631	\$ 579,702

**CLACKAMAS COUNTY, OREGON
COMMUNITY SOLUTIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 537,251	\$ 537,251	\$ 498,952	\$ (38,299)
State	2,337,348	2,513,147	2,268,372	(244,775)
Local	50,000	50,000	163,196	113,196
Total intergovernmental	2,924,599	3,100,398	2,930,520	(169,878)
Charges for services:				
Internal county services	361,500	361,500	448,389	86,889
Total charges for services	361,500	361,500	448,389	86,889
Miscellaneous:				
Interest	-	-	235	235
Other	-	-	8,032	8,032
Total miscellaneous	-	-	8,267	8,267
TOTAL REVENUES	3,286,099	3,461,898	3,387,176	(74,722)
EXPENDITURES:				
Current - organizational unit:				
Economic development	4,449,560	4,963,554	4,270,701	692,853
TOTAL EXPENDITURES	4,449,560	4,963,554	4,270,701	692,853
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,163,461)	(1,501,656)	(883,525)	618,131
OTHER FINANCING SOURCES (USES):				
Transfers in	735,077	966,077	966,077	-
TOTAL OTHER FINANCING SOURCES (USES)	735,077	966,077	966,077	-
NET CHANGE IN FUND BALANCE	(428,384)	(535,579)	82,552	618,131
FUND BALANCE, JUNE 30, 2016	428,384	535,579	535,579	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 618,131	\$ 618,131

**CLACKAMAS COUNTY, OREGON
RESOLUTION SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
State	\$ 96,235	\$ 96,235	\$ 97,590	\$ 1,355
Local	9,360	9,360	4,675	(4,685)
Total intergovernmental	105,595	105,595	102,265	(3,330)
Charges for services:				
Charges for services	-	-	1,450	1,450
Client fees	171,080	171,080	184,127	13,047
Internal county services	76,106	76,106	45,020	(31,086)
Conciliation fees	561,736	561,736	564,652	2,916
Other	11,400	11,400	41,320	29,920
Total charges for services	820,322	820,322	836,569	16,247
Licenses and permits:				
Marriage license fees	25,000	25,000	23,460	(1,540)
Total licenses and permits	25,000	25,000	23,460	(1,540)
Miscellaneous:				
Other	50	50	7	(43)
Total miscellaneous	50	50	7	(43)
TOTAL REVENUES	950,967	950,967	962,301	11,334
EXPENDITURES:				
Current - organizational unit:				
General government	1,493,417	1,539,426	1,453,209	86,217
TOTAL EXPENDITURES	1,493,417	1,539,426	1,453,209	86,342
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(542,450)	(588,459)	(490,908)	97,676
OTHER FINANCING SOURCES (USES):				
Transfers in	542,433	542,433	542,433	-
TOTAL OTHER FINANCING SOURCES (USES)	542,433	542,433	542,433	-
NET CHANGE IN FUND BALANCE	(17)	(46,026)	51,525	97,676
FUND BALANCE, JUNE 30, 2016	17	46,026	46,026	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 97,551	\$ 97,676

CLACKAMAS COUNTY, OREGON
HEALTH, HOUSING & HUMAN SERVICES ADMINISTRATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Internal county services	\$ 743,508	\$ 743,508	\$ 870,845	\$ 127,337
Total charges for services	743,508	743,508	870,845	127,337
Miscellaneous:				
Interest	-	-	10,263	10,263
Total miscellaneous	-	-	10,263	10,263
TOTAL REVENUES	743,508	743,508	881,108	137,600
EXPENDITURES:				
Current - organizational unit:				
Health and human services	1,938,619	2,038,062	1,404,648	633,414
Contingency	30,000	30,000	-	30,000
TOTAL EXPENDITURES	1,968,619	2,068,062	1,404,648	663,414
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,225,111)	(1,324,554)	(523,540)	801,014
OTHER FINANCING SOURCES (USES):				
Transfers in	596,493	596,493	596,493	-
Transfers out	(33,000)	(233,886)	(233,886)	-
TOTAL OTHER FINANCING SOURCES (USES)	563,493	362,607	362,607	-
NET CHANGE IN FUND BALANCE	(661,618)	(961,947)	(160,933)	801,014
FUND BALANCE, JUNE 30, 2016	661,618	961,947	961,947	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 801,014	\$ 801,014

CLACKAMAS COUNTY, OREGON
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Court fees	\$ 349,854	\$ 349,854	\$ 349,854	\$ -
Other	2,500	2,500	3,205	705
Total charges for services	352,354	352,354	353,059	705
Miscellaneous:				
Interest	1,000	1,000	4,254	3,254
Total miscellaneous	1,000	1,000	4,254	3,254
TOTAL REVENUES	353,354	353,354	357,313	3,959
EXPENDITURES:				
Current - organizational unit:				
Public protection	453,354	453,354	399,408	53,946
Contingency	119,192	224,472	-	224,472
TOTAL EXPENDITURES	572,546	677,826	399,408	278,418
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(219,192)	(324,472)	(42,095)	282,377
NET CHANGE IN FUND BALANCE	(219,192)	(324,472)	(42,095)	282,377
FUND BALANCE, JUNE 30, 2016	319,192	424,472	424,472	-
FUND BALANCE, JUNE 30, 2017	\$ 100,000	\$ 100,000	\$ 382,377	\$ 282,377

**CLACKAMAS COUNTY, OREGON
LIBRARY NETWORK FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ -	\$ -	\$ 3,881	\$ 3,881
State	5,700	5,700	5,513	(187)
Total intergovernmental	5,700	5,700	9,394	3,694
Charges for services:				
Charges for services	1,600	1,600	2,583	983
Internal county services	1,267,662	1,267,662	860,000	(407,662)
Total charges for services	1,269,262	1,269,262	862,583	(406,679)
Fines, forfeitures, and penalties:				
Fines, forfeitures, and penalties	14,000	14,000	12,745	(1,255)
Total fines, forfeitures, and penalties	14,000	14,000	12,745	(1,255)
Miscellaneous:				
Reimbursements	850,000	1,650,000	1,545,926	(104,074)
Interest	21,000	21,000	45,715	24,715
Contributions	400	400	827	427
Other	-	-	1,127	1,127
Total miscellaneous	871,400	1,671,400	1,593,595	(77,805)
TOTAL REVENUES	2,160,362	2,960,362	2,478,317	(482,045)
EXPENDITURES:				
Current - organizational unit:				
Culture, education and recreation	4,969,023	6,059,387	4,806,669	1,252,718
Contingency	103,710	103,710	-	103,710
Special payments	3,600,000	5,100,000	2,003,881	3,096,119
TOTAL EXPENDITURES	8,672,733	11,263,097	6,810,550	4,452,547
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,512,371)	(8,302,735)	(4,332,233)	3,970,502
OTHER FINANCING SOURCES (USES):				
Transfers in	2,230,371	2,230,371	2,230,371	-
TOTAL OTHER FINANCING SOURCES (USES)	2,230,371	2,230,371	2,230,371	-
NET CHANGE IN FUND BALANCE	(4,282,000)	(6,072,364)	(2,101,862)	3,970,502
FUND BALANCE, JUNE 30, 2016	4,976,566	6,766,930	6,766,930	-
FUND BALANCE, JUNE 30, 2017	\$ 694,566	\$ 694,566	\$ 4,665,068	\$ 3,970,502

**CLACKAMAS COUNTY, OREGON
PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 1,350	\$ 1,350	\$ 4,178	\$ 2,828
State	995,600	995,600	1,022,803	27,203
Total intergovernmental	996,950	996,950	1,026,981	30,031
Charges for services:				
Charges for services	237,853	237,853	236,569	(1,284)
Internal county services	5,500	5,500	3,983	(1,517)
Total charges for services	243,353	243,353	240,552	(2,801)
Licenses and permits:				
Licenses and permits	613,000	613,000	636,064	23,064
Total licenses and permits	613,000	613,000	636,064	23,064
Miscellaneous:				
Interest	500	500	1,649	1,149
Contributions	80,000	80,000	66,160	(13,840)
Other	31,100	31,100	35,402	4,302
Total miscellaneous	111,600	111,600	103,211	(8,389)
TOTAL REVENUES	1,964,903	1,964,903	2,006,808	41,905
EXPENDITURES:				
Current - organizational unit:				
Culture, education and recreation	3,330,274	3,330,274	2,449,051	881,223
Contingency	204,305	357,183	-	357,183
Special payments	10,000	10,000	-	10,000
TOTAL EXPENDITURES	3,544,579	3,697,457	2,449,051	1,248,406
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,579,676)	(1,732,554)	(442,243)	1,290,311
OTHER FINANCING SOURCES (USES):				
Transfers in	1,274,207	1,274,207	1,174,207	(100,000)
TOTAL OTHER FINANCING SOURCES (USES)	1,274,207	1,274,207	1,174,207	(100,000)
NET CHANGE IN FUND BALANCE	(305,469)	(458,347)	731,964	1,190,311
FUND BALANCE, JUNE 30, 2016	305,469	458,347	458,347	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 1,190,311	\$ 1,190,311

**CLACKAMAS COUNTY, OREGON
BUSINESS & ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 4,395	\$ 4,395	\$ 4,951	\$ 556
State	2,100,000	2,100,000	2,038,370	(61,630)
Local	250,000	250,000	217,500	(32,500)
Total intergovernmental	2,354,395	2,354,395	2,260,821	(93,574)
Charges for services:				
Internal county services	1,034,892	1,034,892	1,034,892	-
Total charges for services	1,034,892	1,034,892	1,034,892	-
Licenses and permits:				
Licenses and permits	15,000	15,000	2,204	(12,796)
Total licenses and permits	15,000	15,000	2,204	(12,796)
Miscellaneous:				
Interest	10,000	10,000	20,035	10,035
Total miscellaneous	10,000	10,000	20,035	10,035
TOTAL REVENUES	3,414,287	3,414,287	3,317,952	(96,335)
EXPENDITURES:				
Current - organizational unit:				
Economic development	4,685,334	5,248,882	3,125,146	2,123,736
Contingency	447,889	617,839	-	617,839
Special payments	70,000	70,000	25,000	45,000
TOTAL EXPENDITURES	5,203,223	5,936,721	3,150,146	2,786,575
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,788,936)	(2,522,434)	167,806	2,690,240
OTHER FINANCING SOURCES (USES):				
Transfers in	30,000	30,000	30,000	-
Transfers out	(63,000)	(63,000)	(63,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(33,000)	(33,000)	(33,000)	-
NET CHANGE IN FUND BALANCE	(1,821,936)	(2,555,434)	134,806	2,690,240
FUND BALANCE, JUNE 30, 2016	1,821,936	2,555,434	2,555,434	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 2,690,240	\$ 2,690,240

**CLACKAMAS COUNTY, OREGON
PLANNING FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Local	\$ 50,000	\$ 50,000	\$ 98,995	\$ 48,995
Total intergovernmental	50,000	50,000	98,995	48,995
Charges for services:				
Charges for services	474,200	474,200	680,093	205,893
Internal county services	25,000	160,895	233,101	72,206
Total charges for services	499,200	635,095	913,194	278,099
Licenses and permits:				
Licenses and permits	65,000	65,000	85,424	20,424
Total licenses and permits	65,000	65,000	85,424	20,424
Fines, forfeitures, and penalties:				
Fines, forfeitures, and penalties	5,000	5,000	13,909	8,909
Total fines, forfeitures, and penalties	5,000	5,000	13,909	8,909
Miscellaneous:				
Other	6,000	6,000	1,836	(4,164)
Total miscellaneous	6,000	6,000	1,836	(4,164)
TOTAL REVENUES	625,200	761,095	1,113,358	352,263
EXPENDITURES:				
Current - organizational unit:				
Economic development	3,286,609	3,481,142	3,290,681	190,461
Contingency	566,199	140,710	-	140,710
TOTAL EXPENDITURES	3,852,808	3,621,852	3,290,681	331,171
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,227,608)	(2,860,757)	(2,177,323)	683,434
OTHER FINANCING SOURCES (USES):				
Transfers in	2,570,678	2,570,678	2,570,678	-
Transfers out	-	(115,000)	-	115,000
TOTAL OTHER FINANCING SOURCES (USES)	2,570,678	2,455,678	2,570,678	115,000
NET CHANGE IN FUND BALANCE	(656,930)	(405,079)	393,355	798,434
FUND BALANCE, JUNE 30, 2016	656,930	938,193	938,193	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ 533,114	\$ 1,331,548	\$ 798,434

**CLACKAMAS COUNTY, OREGON
PUBLIC LAND CORNER PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Charges for services	\$ 700,000	\$ 700,000	\$ 727,140	\$ 27,140
Internal county services	66,000	66,000	60,629	(5,371)
Total charges for services	766,000	766,000	787,769	21,769
Miscellaneous:				
Interest	1,200	1,200	6,736	5,536
Other	5,000	5,000	8,723	3,723
Total miscellaneous	6,200	6,200	15,459	9,259
TOTAL REVENUES	772,200	772,200	803,228	31,028
EXPENDITURES:				
Current - organizational unit:				
Culture, education and recreation	806,478	806,478	580,344	226,134
Contingency	632,248	665,681	-	665,681
TOTAL EXPENDITURES	1,438,726	1,472,159	580,344	891,815
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(666,526)	(699,959)	222,884	922,843
NET CHANGE IN FUND BALANCE	(666,526)	(699,959)	222,884	922,843
FUND BALANCE, JUNE 30, 2016	666,526	759,959	759,959	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ 60,000	\$ 982,843	\$ 922,843

**CLACKAMAS COUNTY, OREGON
SOCIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 4,822,459	\$ 5,247,452	\$ 4,779,602	\$ (467,850)
State	11,622,979	13,408,391	11,012,793	(2,395,598)
Local	730,535	886,797	458,760	(428,037)
Total intergovernmental	17,175,973	19,542,640	16,251,155	(3,291,485)
Charges for services:				
Charges for services	2,018,281	2,175,152	2,211,774	36,622
Total charges for services	2,018,281	2,175,152	2,211,774	36,622
Miscellaneous:				
Other	-	-	16,071	16,071
Interest	-	-	9,366	9,366
Contributions	15,000	15,000	13,938	(1,062)
Other	-	-	29,138	29,138
Total miscellaneous	15,000	15,000	68,513	53,513
TOTAL REVENUES	19,209,254	21,732,792	18,531,442	(3,201,350)
EXPENDITURES:				
Current - organizational unit:				
Health and human services	22,131,970	24,923,790	19,767,277	5,156,513
Contingency	377,743	964,528	-	964,528
Special payments	652,731	1,037,030	881,301	155,729
TOTAL EXPENDITURES	23,162,444	26,925,348	20,648,578	6,276,770
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,953,190)	(5,192,556)	(2,117,136)	3,075,420
OTHER FINANCING SOURCES (USES):				
Transfers in	2,783,124	2,783,124	2,783,124	-
TOTAL OTHER FINANCING SOURCES (USES)	2,783,124	2,783,124	2,783,124	-
NET CHANGE IN FUND BALANCE	(1,170,066)	(2,409,432)	665,988	3,075,420
FUND BALANCE, JUNE 30, 2016	1,170,066	2,409,432	2,419,059	9,627
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 3,085,047	\$ 3,085,047

**CLACKAMAS COUNTY, OREGON
CODE ENFORCEMENT & SUSTAINABILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
State	\$ -	\$ -	\$ 19,767	\$ 19,767
Local	369,500	436,147	419,444	(16,703)
Total intergovernmental	369,500	436,147	439,211	3,064
Charges for services:				
Charges for services	471,908	471,908	373,136	(98,772)
Internal county services	660,359	757,870	754,210	(3,660)
Total charges for services	1,132,267	1,229,778	1,127,346	(102,432)
Licenses and permits:				
Licenses and permits	1,675,730	1,684,230	1,989,643	305,413
Total licenses and permits	1,675,730	1,684,230	1,989,643	305,413
Fines, forfeitures, and penalties:				
Fines, forfeitures, and penalties	10,500	10,500	9,068	(1,432)
Total fines, forfeitures, and penalties	10,500	10,500	9,068	(1,432)
Miscellaneous:				
Reimbursements	-	-	29,053	29,053
Interest	750	750	13,785	13,035
Other	31,250	31,250	38,082	6,832
Total miscellaneous	32,000	32,000	80,920	48,920
TOTAL REVENUES	3,219,997	3,392,655	3,646,188	253,533
EXPENDITURES:				
Current - organizational unit:				
General government	3,077,492	3,550,808	2,908,929	641,879
Special payments	-	100,000	32,247	67,753
TOTAL EXPENDITURES	4,100,662	4,349,347	2,941,176	1,408,171
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(880,665)	(956,692)	705,012	1,661,704
OTHER FINANCING SOURCES (USES):				
Transfers in	112,503	112,503	112,503	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	112,503	112,503	112,503	-
NET CHANGE IN FUND BALANCE	(768,162)	(844,189)	817,515	1,661,704
FUND BALANCE, JUNE 30, 2016	768,162	1,357,711	1,357,711	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ 513,522	\$ 2,175,226	\$ 1,661,704

**CLACKAMAS COUNTY, OREGON
DISASTER MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 877,000	\$ 877,000	\$ 313,470	\$ (563,530)
Local	-	-	6,032	6,032
Total intergovernmental	877,000	877,000	319,502	(557,498)
Charges for services:				
Internal county services	-	-	328	328
Total charges for services	-	-	328	328
Miscellaneous:				
Reimbursements	-	-	8,456	8,456
Interest	-	-	4,990	4,990
Other	-	-	346	346
Total miscellaneous	-	-	13,792	13,792
TOTAL REVENUES	877,000	877,000	333,622	(543,378)
EXPENDITURES:				
Current - organizational unit:				
Public protection	2,481,115	2,498,115	1,990,074	508,041
Contingency	380,241	517,641	-	517,641
Special payments	500,000	500,000	128,736	371,264
TOTAL EXPENDITURES	3,361,356	3,515,756	2,118,810	1,396,946
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,484,356)	(2,638,756)	(1,785,188)	853,568
OTHER FINANCING SOURCES (USES):				
Transfers in	1,742,118	1,742,118	1,742,118	-
TOTAL OTHER FINANCING SOURCES (USES)	1,742,118	1,742,118	1,742,118	-
NET CHANGE IN FUND BALANCE	(742,238)	(896,638)	(43,070)	853,568
FUND BALANCE, JUNE 30, 2016	742,238	896,638	896,638	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 853,568	\$ 853,568

**CLACKAMAS COUNTY, OREGON
JUVENILE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 228,237	\$ 325,659	\$ 493,788	\$ 168,129
State	1,550,193	2,044,060	1,319,941	(724,119)
Local	129,930	129,930	82,289	(47,641)
Total intergovernmental	1,908,360	2,499,649	1,896,018	(603,631)
Charges for services:				
Internal county services	351,455	357,322	315,799	(41,523)
Other	10,880	10,880	24,140	13,260
Total charges for services	362,335	368,202	339,939	(28,263)
Miscellaneous:				
Other	3,500	3,500	8,511	5,011
Total miscellaneous	3,500	3,500	8,511	5,011
TOTAL REVENUES	2,274,195	2,871,351	2,244,468	(626,883)
EXPENDITURES:				
Current - organizational unit:				
Public protection	11,532,391	12,380,753	9,354,520	3,026,233
Contingency	150,000	150,000	-	150,000
TOTAL EXPENDITURES	11,682,391	12,530,753	9,354,520	3,176,233
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,408,196)	(9,659,402)	(7,110,052)	2,549,350
OTHER FINANCING SOURCES (USES):				
Transfers in	7,647,800	7,647,800	7,647,800	-
TOTAL OTHER FINANCING SOURCES (USES)	7,647,800	7,647,800	7,647,800	-
NET CHANGE IN FUND BALANCE	(1,760,396)	(2,011,602)	537,748	2,549,350
FUND BALANCE, JUNE 30, 2016	1,760,396	2,011,602	2,011,602	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 2,549,350	\$ 2,549,350

**CLACKAMAS COUNTY, OREGON
TRANSIENT ROOM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Other taxes:				
Hotel and motel occupancy tax	\$ 4,832,100	\$ 4,832,100	\$ 4,485,340	\$ (346,760)
Total other taxes	4,832,100	4,832,100	4,485,340	(346,760)
Miscellaneous:				
Interest	100	100	-	(100)
Total miscellaneous	100	100	-	(100)
TOTAL REVENUES	4,832,200	4,832,200	4,485,340	(346,860)
EXPENDITURES:				
Current:				
Culture, education and recreation				
Materials and services	96,650	96,650	89,887	6,763
TOTAL EXPENDITURES	96,650	96,650	89,887	6,763
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,735,550	4,735,550	4,395,453	(340,097)
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,735,550)	(4,942,139)	(4,404,481)	537,658
TOTAL OTHER FINANCING SOURCES (USES)	(4,735,550)	(4,942,139)	(4,404,481)	537,658
NET CHANGE IN FUND BALANCE	-	(206,589)	(9,028)	197,561
FUND BALANCE, JUNE 30, 2016	-	206,589	206,589	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 197,561	\$ 197,561

**CLACKAMAS COUNTY, OREGON
TRANSPORTATION SYSTEM DEVELOPMENT CHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Charges for services	\$ 26,000	\$ 26,000	\$ 11,639	\$ (14,361)
Total charges for services	26,000	26,000	11,639	(14,361)
Licenses and permits:				
Licenses and permits	1,250,000	1,250,000	1,090,234	(159,766)
Total licenses and permits	1,250,000	1,250,000	1,090,234	(159,766)
Miscellaneous:				
Interest	7,500	7,500	47,649	40,149
Asset and property proceeds	12,000	12,000	-	(12,000)
Special assessment collections	3,900	3,900	15,353	11,453
Total miscellaneous	23,400	23,400	63,002	39,602
TOTAL REVENUES	1,299,400	1,299,400	1,164,875	(134,525)
EXPENDITURES:				
Current:				
Public ways and facilities				
Materials and services	143,357	143,357	126,503	16,854
Contingency	6,470,705	6,672,738	-	6,672,738
TOTAL EXPENDITURES	6,614,062	6,816,095	126,503	6,689,592
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,314,662)	(5,516,695)	1,038,372	6,555,067
OTHER FINANCING SOURCES (USES):				
Transfers in	-	863,000	862,671	(329)
Transfers out	(428,220)	(778,220)	(571,019)	207,201
TOTAL OTHER FINANCING SOURCES (USES)	(428,220)	84,780	291,652	206,872
NET CHANGE IN FUND BALANCE	(5,742,882)	(5,431,915)	1,330,024	6,761,939
FUND BALANCE, JUNE 30, 2016	5,742,882	5,431,915	5,431,915	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	6,761,939	\$ 6,761,939
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)				
Loans receivable			413,759	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 7,175,698	

**CLACKAMAS COUNTY, OREGON
DISTRICT ATTORNEY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 1,651,748	\$ 1,740,354	\$ 1,123,359	\$ (616,995)
State	821,527	821,527	806,572	(14,955)
Total intergovernmental	2,473,275	2,561,881	1,929,931	(631,950)
Charges for services:				
Internal county services	79,684	79,684	116,294	36,610
Other	200,000	200,000	249,500	49,500
Total charges for services	279,684	279,684	365,794	86,110
Miscellaneous:				
Other	22,010	22,010	2,757	(19,253)
Total miscellaneous	22,010	22,010	2,976	(19,034)
TOTAL REVENUES	2,774,969	2,863,575	2,298,701	(564,874)
EXPENDITURES:				
Current - organizational unit:				
Public protection	12,770,734	13,292,676	11,883,299	1,409,377
TOTAL EXPENDITURES	12,770,734	13,292,676	11,883,299	1,409,377
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,995,765)	(10,429,101)	(9,584,598)	844,503
OTHER FINANCING SOURCES (USES):				
Transfers in	9,514,850	9,514,850	9,514,850	-
TOTAL OTHER FINANCING SOURCES (USES)	9,514,850	9,514,850	9,514,850	-
NET CHANGE IN FUND BALANCE	(480,915)	(914,251)	(69,748)	844,503
FUND BALANCE, JUNE 30, 2016	480,915	914,251	914,251	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 844,503	\$ 844,503

**CLACKAMAS COUNTY, OREGON
JUSTICE COURT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Fines, forfeitures, and penalties				
Fines, forfeitures, and penalties	\$ 3,575,090	\$ 3,575,090	\$ 4,078,591	\$ 503,501
Total fines, forfeitures, and penalties	<u>3,575,090</u>	<u>3,575,090</u>	<u>4,078,591</u>	<u>503,501</u>
Miscellaneous:				
Interest	1,740	1,740	15,299	13,559
Other	150	150	541	391
Total miscellaneous	<u>1,890</u>	<u>1,890</u>	<u>15,840</u>	<u>13,950</u>
TOTAL REVENUES	<u>3,576,980</u>	<u>3,576,980</u>	<u>4,094,431</u>	<u>517,451</u>
EXPENDITURES:				
Current - organizational unit:				
Public protection	2,230,821	2,230,821	1,849,192	384,737
Contingency	610,330	1,159	-	1,159
Special payments	1,345,000	1,345,000	1,097,973	247,027
TOTAL EXPENDITURES	<u>4,186,151</u>	<u>3,576,980</u>	<u>2,947,165</u>	<u>632,923</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(609,171)</u>	<u>-</u>	<u>1,147,266</u>	<u>1,150,374</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,305,683)	(1,305,683)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(1,305,683)</u>	<u>(1,305,683)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(609,171)</u>	<u>(1,305,683)</u>	<u>(158,417)</u>	<u>1,150,374</u>
FUND BALANCE, JUNE 30, 2016	<u>609,171</u>	<u>1,305,683</u>	<u>1,305,683</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147,266</u>	<u>\$ 1,150,374</u>

**CLACKAMAS COUNTY, OREGON
PUBLIC SAFETY LOCAL OPTION LEVY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes:				
Current	\$ 10,466,100	\$ 10,466,100	\$ 10,778,568	\$ 312,468
Delinquent	165,000	165,000	217,683	52,683
Total property taxes	<u>10,631,100</u>	<u>10,631,100</u>	<u>10,996,251</u>	<u>365,151</u>
Intergovernmental:				
Federal	18,000	18,000	95,928	77,928
Total intergovernmental	<u>18,000</u>	<u>18,000</u>	<u>95,928</u>	<u>77,928</u>
Miscellaneous:				
Interest	6,000	6,000	12,153	6,153
Total miscellaneous	<u>6,000</u>	<u>6,000</u>	<u>12,153</u>	<u>6,153</u>
TOTAL REVENUES	<u>10,655,100</u>	<u>10,655,100</u>	<u>11,104,332</u>	<u>449,232</u>
EXPENDITURES:				
Current - organizational unit:				
Public protection	10,774,919	10,805,289	10,737,849	67,440
TOTAL EXPENDITURES	<u>10,774,919</u>	<u>10,805,289</u>	<u>10,737,849</u>	<u>67,440</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(119,819)</u>	<u>(150,189)</u>	<u>366,483</u>	<u>516,672</u>
NET CHANGE IN FUND BALANCE	<u>(119,819)</u>	<u>(150,189)</u>	<u>366,483</u>	<u>516,672</u>
FUND BALANCE, JUNE 30, 2016	<u>119,819</u>	<u>150,189</u>	<u>150,190</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>516,673</u>	<u>\$ 516,672</u>
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			55,771	
FUND BALANCE - US GAAP BASIS, June 30, 2017			<u>\$ 572,444</u>	

**CLACKAMAS COUNTY, OREGON
PROPERTY MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Internal county services	\$ 362,788	\$ 449,788	\$ 509,788	\$ 60,000
Total charges for services	362,788	449,788	509,788	60,000
Miscellaneous:				
Interest	3,921	3,921	12,298	8,377
Asset and property proceeds	350,000	587,000	580,050	(6,950)
Total miscellaneous	353,921	590,921	592,348	1,427
TOTAL REVENUES	716,709	1,040,709	1,102,136	61,427
EXPENDITURES:				
Current - organizational unit:				
General government	725,071	812,071	760,694	51,377
Contingency	418,330	418,330	-	418,330
Special payments	5,000	155,000	12,501	142,499
TOTAL EXPENDITURES	1,148,401	1,385,401	773,195	612,206
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(431,692)	(344,692)	328,941	673,633
OTHER FINANCING SOURCES (USES):				
Loan repayments from contracts	13,867	13,867	10,322	(3,545)
TOTAL OTHER FINANCING SOURCES (USES)	13,867	13,867	10,322	(3,545)
NET CHANGE IN FUND BALANCE	(417,825)	(330,825)	339,263	670,088
FUND BALANCE, JUNE 30, 2016	1,397,825	1,397,825	1,439,607	41,782
FUND BALANCE, JUNE 30, 2017	\$ 980,000	\$ 1,067,000	1,778,870	\$ 711,870
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)				
Property held for sale reclassified as an asset on the US GAAP basis			253,163	
Loans receivable			44,804	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 2,076,837	

**CLACKAMAS COUNTY, OREGON
COUNTY SAFETY NET LEGISLATION LOCAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ -	\$ -	\$ 119,193	\$ 119,193
Total intergovernmental	-	-	119,193	119,193
Miscellaneous:				
Interest	2,150	2,150	2,923	773
Total miscellaneous	2,150	2,150	2,923	773
TOTAL REVENUES	2,150	2,150	122,116	119,966
EXPENDITURES:				
Current:				
General government	91,121	91,121	2,700	88,421
Special payments	383,319	383,319	122,052	261,267
TOTAL EXPENDITURES	474,440	474,440	124,752	349,688
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(472,290)	(472,290)	(2,636)	469,654
NET CHANGE IN FUND BALANCE	(472,290)	(472,290)	(2,636)	469,654
FUND BALANCE, JUNE 30, 2016	472,290	472,290	2,636	(469,654)
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ -	\$ -

**CLACKAMAS COUNTY, OREGON
HAPPY VALLEY/CLACKAMAS JOINT TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Charges for services	\$ 2,000	\$ 2,000	\$ 500	\$ (1,500)
Total charges for services	2,000	2,000	500	(1,500)
Licenses and permits:				
Licenses and permits	1,500,000	1,500,000	3,064,173	1,564,173
Total licenses and permits	1,500,000	1,500,000	3,064,173	1,564,173
Miscellaneous:				
Interest	2,500	7,350	45,808	38,458
Special assessment collections	39,000	80,000	610,288	530,288
Total miscellaneous	41,500	87,350	656,096	568,746
TOTAL REVENUES	1,543,500	1,589,350	3,720,769	2,131,419
EXPENDITURES:				
Current:				
Public ways and facilities:				
Materials and services	106,496	156,496	97,053	59,443
Debt Service:				
Principal	1,062,544	4,150,000	4,142,512	7,488
Interest and fiscal charges	78,092	72,000	71,631	369
Contingency	3,113,101	3,343,537	-	3,343,537
TOTAL EXPENDITURES	4,360,233	7,722,033	4,311,196	3,410,837
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,816,733)	(6,132,683)	(590,427)	5,542,256
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(863,000)	(862,671)	329
Loan repayments from contracts	-	260,000	259,839	(161)
TOTAL OTHER FINANCING SOURCES (USES)	-	(603,000)	(602,832)	168
NET CHANGE IN FUND BALANCE	(2,816,733)	(6,735,683)	(1,193,259)	5,542,424
FUND BALANCE, JUNE 30, 2016	2,816,733	6,735,683	6,735,683	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	5,542,424	\$ 5,542,424
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Loans receivable			34,770	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 5,577,194	

**CLACKAMAS COUNTY, OREGON
TOURISM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Local	\$ 175,000	\$ 175,000	\$ 229,428	\$ 54,428
Total intergovernmental	175,000	175,000	229,428	54,428
Miscellaneous:				
Other	8,000	8,000	34,818	26,818
Interest	1,500	1,500	8,582	7,082
Total miscellaneous	9,500	9,500	43,400	33,900
TOTAL REVENUES	184,500	184,500	272,828	88,328
EXPENDITURES:				
Current - organizational unit:				
Culture, education and recreation	4,931,055	5,399,084	4,567,115	831,969
Contingency	450,000	450,000	-	450,000
Special payments	52,000	52,000	-	52,000
TOTAL EXPENDITURES	5,433,055	5,901,084	4,567,115	1,333,969
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,248,555)	(5,716,584)	(4,294,287)	1,422,297
OTHER FINANCING SOURCES (USES):				
Transfers in	4,565,519	4,772,108	4,234,450	(537,658)
TOTAL OTHER FINANCING SOURCES (USES)	4,565,519	4,772,108	4,234,450	(537,658)
NET CHANGE IN FUND BALANCE	(683,036)	(944,476)	(59,837)	884,639
FUND BALANCE, JUNE 30, 2016	683,036	944,476	944,476	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 884,639	\$ 884,639

**CLACKAMAS COUNTY, OREGON
FOREST MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 80,000	\$ 80,000	\$ 74,156	\$ (5,844)
Total intergovernmental	80,000	80,000	74,156	(5,844)
Charges for services:				
Charges for services	600	600	-	(600)
Internal county services	800	800	333	(467)
Total charges for services	1,400	1,400	333	(1,067)
Fines, forfeitures, and penalties	-	-	422	422
Miscellaneous:				
Asset and property proceeds	867,500	867,500	-	(867,500)
Other	20,000	20,000	39,192	19,192
Total miscellaneous	887,500	887,500	39,192	(848,308)
TOTAL REVENUES	968,900	968,900	114,103	(854,797)
EXPENDITURES:				
Current - organizational unit:				
Culture, education and recreation	1,724,312	1,774,312	1,531,722	242,590
Contingency	1,185,675	1,135,675	-	1,135,675
Special payments	5,000	5,000	-	5,000
TOTAL EXPENDITURES	2,914,987	2,914,987	1,531,722	1,383,265
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,946,087)	(1,946,087)	(1,417,619)	528,468
OTHER FINANCING SOURCES (USES):				
Transfers out	(670,000)	(670,000)	(670,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(670,000)	(670,000)	(670,000)	-
NET CHANGE IN FUND BALANCE	(2,616,087)	(2,616,087)	(2,087,619)	528,468
FUND BALANCE, JUNE 30, 2016	4,542,834	4,542,834	4,731,369	188,535
FUND BALANCE, JUNE 30, 2017	\$ 1,926,747	\$ 1,926,747	\$ 2,643,750	\$ 717,003

**CLACKAMAS COUNTY, OREGON
BEHAVIORAL HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 1,893,072	\$ 4,080,502	\$ 1,379,268	\$ (2,701,234)
State	32,977,019	22,295,618	18,045,796	(4,249,822)
Local	453,615	453,615	339,719	(113,896)
Total intergovernmental	35,323,706	26,829,735	19,764,783	(7,064,952)
Charges for services:				
Charges for services	49,700	49,700	108,042	58,342
Client fees	-	-	200	200
Internal county services	1,035,169	1,045,169	697,380	(347,789)
Total charges for services	1,084,869	1,094,869	805,622	(289,247)
Miscellaneous:				
Other	2,000	2,000	5,672	3,672
Reimbursements	-	-	138,194	138,194
Interest	-	-	70,485	70,485
Contributions	12,000	12,000	12,900	900
Total miscellaneous	14,000	14,000	227,251	213,251
TOTAL REVENUES	36,422,575	27,938,604	20,797,656	(7,140,948)
EXPENDITURES:				
Current - organizational unit:				
Health and human services:	38,760,570	28,426,511	20,239,685	8,186,826
Contingency	1,039,965	1,581,959	-	1,581,959
Special payments	578,901	878,901	745,359	133,542
TOTAL EXPENDITURES	40,379,436	30,887,371	20,985,044	9,902,327
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,956,861)	(2,948,767)	(187,388)	2,761,379
OTHER FINANCING SOURCES (USES):				
Transfers in	888,389	998,389	998,389	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	888,389	998,389	998,389	-
NET CHANGE IN FUND BALANCE	(3,068,472)	(1,950,378)	811,001	2,761,379
FUND BALANCE, JUNE 30, 2016	3,068,472	1,950,378	1,950,379	1
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 2,761,380	\$ 2,761,380

**CLACKAMAS COUNTY, OREGON
PUBLIC HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 1,505,824	\$ 1,994,974	\$ 1,883,503	\$ (111,471)
State	1,616,177	1,463,702	1,477,840	14,138
Local	114,531	128,443	101,616	(26,827)
Total intergovernmental	3,236,532	3,587,119	3,462,959	(124,160)
Charges for services:				
Charges for services	1,415,363	1,484,856	1,591,219	106,363
Internal county services	767,792	915,292	758,532	(156,760)
Total charges for services	2,183,155	2,400,148	2,349,751	(50,397)
Licenses and permits:				
Licenses and permits	1,113,911	1,178,242	1,020,013	(158,229)
Total licenses and permits	1,113,911	1,178,242	1,020,013	(158,229)
Miscellaneous:				
Reimbursements	-	23,093	18,219	(4,874)
Interest	-	-	2,373	2,373
Other	6,000	8,153	7,984	(169)
Total miscellaneous	6,000	31,246	28,576	(2,670)
TOTAL REVENUES	6,539,598	7,196,755	6,861,299	(335,456)
EXPENDITURES:				
Current - organizational unit:				
Health and human services	8,154,329	8,610,892	8,527,353	83,539
Contingency	351,582	545,008	-	545,008
Special payments	387,757	736,244	563,314	172,930
TOTAL EXPENDITURES	8,893,668	9,892,144	9,090,667	801,477
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,354,070)	(2,695,389)	(2,229,368)	466,021
OTHER FINANCING SOURCES (USES):				
Transfers in	1,965,845	2,011,933	2,011,933	-
TOTAL OTHER FINANCING SOURCES (USES)	1,965,845	2,011,933	2,011,933	-
NET CHANGE IN FUND BALANCE	(388,225)	(683,456)	(217,435)	466,021
FUND BALANCE, JUNE 30, 2016	388,225	683,456	683,757	301
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 466,322	\$ 466,322

**CLACKAMAS COUNTY, OREGON
CLACKAMAS HEALTH CENTERS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 2,896,209	\$ 2,959,211	\$ 3,096,839	\$ 137,628
State	1,198,867	920,378	1,191,363	270,985
Local	1,289,977	1,289,977	1,483,899	193,922
Total intergovernmental	5,385,053	5,169,566	5,772,101	602,535
Charges for services:				
Charges for services	26,256,586	26,277,954	25,161,032	(1,116,922)
Client fees	37,000	37,000	19,882	(17,118)
Internal county services	833,892	952,986	1,297,440	344,454
Total charges for services	27,127,478	27,267,940	26,478,354	(789,586)
Miscellaneous:				
Interest	-	-	87,792	87,792
Other	14,000	14,000	27,910	13,910
Total miscellaneous	14,000	14,000	115,702	101,702
TOTAL REVENUES	32,526,531	32,451,506	32,366,157	(85,349)
EXPENDITURES:				
Current - organizational unit:				
Health and human services	32,840,728	33,044,192	30,397,124	2,647,068
Contingency	10,968,679	12,372,140	-	12,372,140
Special payments	-	504,712	504,712	-
TOTAL EXPENDITURES	43,809,407	45,921,044	30,901,835	15,019,209
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,282,876)	(13,469,538)	1,464,322	14,933,860
OTHER FINANCING SOURCES (USES):				
Transfers in	522,976	522,976	522,976	-
TOTAL OTHER FINANCING SOURCES (USES)	522,976	522,976	522,976	-
NET CHANGE IN FUND BALANCE	(10,759,900)	(12,946,562)	1,987,298	14,933,860
FUND BALANCE, JUNE 30, 2016	10,759,900	12,946,562	12,946,562	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 14,933,860	\$ 14,933,860

**CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes:				
Property taxes	\$ 6,675,665	\$ 6,675,665	\$ 6,855,588	\$ 179,923
Total property taxes	6,675,665	6,675,665	6,855,588	179,923
Intergovernmental:				
Federal	-	-	7,744	7,744
Local	131,750	131,750	110,207	(21,543)
Total intergovernmental	131,750	131,750	117,951	(13,799)
Charges for services:				
Charges for services	2,017,900	2,017,900	2,157,953	140,053
Internal county services	8,288	8,288	8,336	48
Total charges for services	2,026,188	2,026,188	2,166,289	140,101
Miscellaneous:				
Other	3,560	3,560	2,665	(895)
Interest	14,200	14,200	62,966	48,766
Contributions	25,000	25,000	30,792	5,792
Total miscellaneous	42,760	42,760	96,423	53,663
TOTAL REVENUES	8,876,363	8,876,363	9,236,251	359,888
EXPENDITURES:				
Current:				
Administration	711,783	771,783	709,349	62,434
Park services	1,505,995	1,505,995	1,300,631	205,364
Program services	437,944	437,944	376,358	61,586
Sports	1,281,363	1,281,363	1,165,400	115,963
Milwaukie Center	743,218	743,218	678,919	64,299
Aquatic Park	1,949,737	1,949,737	1,708,619	241,118
Marketing and communications	483,251	493,251	381,241	112,010
Planning and development	389,248	414,248	258,948	155,300
Natural Resources	441,458	441,458	324,299	117,159
Special payments	272,202	272,202	263,764	8,438
Contingency	2,107,550	2,656,650	-	2,656,650
TOTAL EXPENDITURES	10,308,749	10,967,849	7,167,528	3,800,321
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,432,386)	(2,091,486)	2,068,723	4,160,209
OTHER FINANCING SOURCES (USES):				
Transfers in	218,033	218,033	39,385	(178,648)
Transfers out	(1,983,247)	(2,144,247)	(1,803,329)	340,918
TOTAL OTHER FINANCING SOURCES (USES)	(1,765,214)	(1,926,214)	(1,763,944)	162,270
NET CHANGE IN FUND BALANCE	(3,197,600)	(4,017,700)	304,779	4,322,479
FUND BALANCE, JUNE 30, 2016	3,197,600	4,017,700	4,343,827	326,127
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	4,648,606	\$ 4,648,606
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			35,247	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 4,683,853	

**CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT NUTRITION AND TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Local	\$ 319,395	\$ 319,395	\$ 334,156	\$ 14,761
Total intergovernmental	319,395	319,395	334,156	14,761
Charges for services:				
Charges for services	27,750	27,750	26,043	(1,707)
Total charges for services	27,750	27,750	26,043	(1,707)
Miscellaneous:				
Interest	800	800	3,846	3,046
Contributions	145,000	145,000	175,607	30,607
Total miscellaneous	145,800	145,800	179,453	33,653
TOTAL REVENUES	492,945	492,945	539,652	46,707
EXPENDITURES:				
Current:				
Health and human services				
Nutrition division	526,737	526,737	511,079	15,658
Transportation division	172,164	172,164	155,574	16,590
Special Payments	5,000	5,000	-	5,000
Contingency	136,373	206,673	-	206,673
TOTAL EXPENDITURES	840,274	910,574	666,653	243,921
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(347,329)	(417,629)	(127,001)	290,628
OTHER FINANCING SOURCES (USES):				
Transfers in	100,000	100,000	100,000	-
Transfers out	(9,818)	(9,818)	(9,818)	-
TOTAL OTHER FINANCING SOURCES (USES)	90,182	90,182	90,182	-
NET CHANGE IN FUND BALANCE	(257,147)	(327,447)	(36,819)	290,628
FUND BALANCE, JUNE 30, 2016	257,147	327,447	336,917	9,470
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 300,098	\$ 300,098

**CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
SYSTEM DEVELOPMENT CHARGES ZONE 1 FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits:				
Licenses and permits	\$ 505,000	\$ 505,000	\$ 141,295	\$ (363,705)
Total licenses and permits	505,000	505,000	141,295	(363,705)
Miscellaneous:				
Other	10,000	10,000	1,625	(8,375)
Interest	1,500	1,500	12,197	10,697
Total miscellaneous	11,500	11,500	13,822	2,322
TOTAL REVENUES	516,500	516,500	155,117	(361,383)
EXPENDITURES:				
General government:				
Materials and services	20,000	20,000	1,625	18,375
Capital outlay	1,388,682	1,388,682	-	1,388,682
TOTAL EXPENDITURES	1,408,682	1,408,682	1,625	1,407,057
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(892,182)	(892,182)	153,492	1,045,674
OTHER FINANCING SOURCES (USES):				
Transfers out	(213,965)	(213,965)	(107,503)	106,462
TOTAL OTHER FINANCING SOURCES (USES)	(213,965)	(213,965)	(107,503)	106,462
NET CHANGE IN FUND BALANCE	(1,106,147)	(1,106,147)	45,989	1,152,136
FUND BALANCE, JUNE 30, 2016	1,106,147	1,106,147	1,263,559	157,412
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 1,309,548	\$ 1,309,548

**CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
SYSTEM DEVELOPMENT CHARGES ZONE 2 FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits:				
Licenses and permits	\$ 100,000	\$ 100,000	\$ 384,915	\$ 284,915
Total licenses and permits	100,000	100,000	384,915	284,915
Miscellaneous:				
Other	2,000	2,000	53,487	51,487
Interest	2,000	2,000	12,595	10,595
Total miscellaneous	4,000	4,000	66,082	62,082
TOTAL REVENUES	104,000	104,000	450,997	346,997
EXPENDITURES:				
General government:				
Materials and services	4,000	12,000	6,036	5,964
Capital outlay	94,383	86,383	-	86,383
TOTAL EXPENDITURES	98,383	98,383	6,036	92,347
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,617	5,617	444,961	439,344
OTHER FINANCING SOURCES (USES):				
Transfers out	(869,429)	(869,429)	(41,017)	828,412
TOTAL OTHER FINANCING SOURCES (USES)	(869,429)	(869,429)	(41,017)	828,412
NET CHANGE IN FUND BALANCE	(863,812)	(863,812)	403,944	1,267,756
FUND BALANCE, JUNE 30, 2016	863,812	863,812	1,147,407	283,595
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 1,551,351	\$ 1,551,351

**CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
SYSTEM DEVELOPMENT CHARGES ZONE 3 FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	\$ 2,187	\$ 2,187	\$ 1,477	\$ (710)
Total intergovernmental	2,187	2,187	1,477	(710)
Licenses and permits:				
Licenses and permits	1,914,129	1,914,129	2,899,732	985,603
Total licenses and permits	1,914,129	1,914,129	2,899,732	985,603
Miscellaneous:				
Interest	16,100	16,100	117,366	101,266
Total miscellaneous	16,100	16,100	117,366	101,266
TOTAL REVENUES	1,932,416	1,932,416	3,018,575	1,086,159
EXPENDITURES:				
Current:				
Materials and services	7,900	7,900	1,477	6,423
Capital outlay	4,557,225	4,557,225	-	4,557,225
TOTAL EXPENDITURES	4,565,125	4,565,125	1,477	4,563,648
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,632,709)	(2,632,709)	3,017,098	5,649,807
OTHER FINANCING SOURCES (USES):				
Transfers out	(5,813,348)	(5,813,348)	(480,026)	5,333,322
TOTAL OTHER FINANCING SOURCES (USES)	(5,813,348)	(5,813,348)	(480,026)	5,333,322
NET CHANGE IN FUND BALANCE	(8,446,057)	(8,446,057)	2,537,072	10,983,129
FUND BALANCE, JUNE 30, 2016	8,446,057	8,446,057	9,763,281	1,317,224
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 12,300,353	\$ 12,300,353

**CLACKAMAS COUNTY, OREGON
CLACKAMAS COUNTY ENHANCED LAW ENFORCEMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes:				
Property taxes	\$ 6,559,300	\$ 6,559,300	\$ 6,586,433	\$ 27,133
Total property taxes	6,559,300	6,559,300	6,586,433	27,133
Miscellaneous:				
Other	150	150	865	715
Interest	-	-	10,723	10,723
Total miscellaneous	150	150	11,588	11,438
TOTAL REVENUES	6,559,450	6,559,450	6,598,021	38,571
EXPENDITURES:				
Current:				
Public protection				
Materials and services	6,471,411	6,494,271	6,206,513	287,758
Debt Service:				
Principal	105,000	105,000	105,000	-
Interest and fiscal charges	78,010	78,010	78,010	-
TOTAL EXPENDITURES	6,654,421	6,677,281	6,389,523	287,758
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(94,971)	(117,831)	208,498	326,329
NET CHANGE IN FUND BALANCE	(94,971)	(117,831)	208,498	326,329
FUND BALANCE, JUNE 30, 2016	94,971	117,831	117,831	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	326,329	\$ 326,329
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			44,944	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 371,273	

**CLACKAMAS COUNTY, OREGON
CLACKAMAS COUNTY EXTENSION AND 4-H SERVICE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes:				
Property taxes	\$ 2,198,000	\$ 2,198,000	\$ 2,179,771	\$ (18,229)
Total property taxes	2,198,000	2,198,000	2,179,771	(18,229)
Intergovernmental:				
Federal forest reserve timber sales	200	200	1,620	1,420
Total intergovernmental	200	200	1,620	1,420
Miscellaneous:				
Interest	16,000	16,000	58,455	42,455
Total miscellaneous	16,000	16,000	58,455	42,455
TOTAL REVENUES	2,214,200	2,214,200	2,239,846	25,646
EXPENDITURES:				
Contingency	486,363	486,363	-	486,363
Special payments	6,347,007	6,347,007	1,372,035	4,974,972
TOTAL EXPENDITURES	6,833,370	6,833,370	1,372,035	5,461,335
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,619,170)	(4,619,170)	867,811	5,486,981
NET CHANGE IN FUND BALANCE	(4,619,170)	(4,619,170)	867,811	5,486,981
FUND BALANCE, JUNE 30, 2016	4,619,170	4,619,170	4,941,263	322,093
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	5,809,074	\$ 5,809,074
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			11,973	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 5,821,047	

**CLACKAMAS COUNTY, OREGON
LIBRARY DISTRICT OF CLACKAMAS COUNTY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes:				
Property taxes	\$ 17,021,991	\$ 17,021,991	\$ 17,310,926	\$ 288,935
Total property taxes	17,021,991	17,021,991	17,310,926	288,935
Other taxes:				
Federal forest reserve timber sales	1,558	1,558	12,810	11,252
Total other taxes	1,558	1,558	12,810	11,252
Miscellaneous:				
Other	1,412	1,412	-	(1,412)
Interest	17,472	17,472	60,307	42,835
Total miscellaneous	18,884	18,884	60,307	41,423
TOTAL REVENUES	17,042,433	17,042,433	17,384,043	341,610
EXPENDITURES:				
Current:				
Education				
Payments to local governments	1,968,754	2,118,264	860,000	1,258,264
Other special payments	17,107,433	17,101,818	16,076,379	1,025,439
TOTAL EXPENDITURES	19,076,187	19,220,082	16,936,379	2,283,703
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,033,754)	(2,177,649)	447,664	2,625,313
NET CHANGE IN FUND BALANCE	(2,033,754)	(2,177,649)	447,664	2,625,313
FUND BALANCE, JUNE 30, 2016	2,033,754	2,177,649	2,177,649	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	2,625,313	\$ 2,625,313
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			94,723	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 2,720,036	

DEBT SERVICE FUNDS

These funds account for the payment of principal and interest on urban renewal bonds, general obligation, and Bancroft improvement bonds. Revenue is mainly derived from property taxes, charges for services, and collections on special assessments levied against property owners. Funds included in this fund category are:

MAJOR DEBT SERVICE FUND

- Clackamas County Development Agency:
 - Clackamas Town Center Tax Increment Fund

NONMAJOR DEBT SERVICE FUNDS

- Clackamas County Debt Service Fund
- Clackamas County Development Agency:
 - North Clackamas Revitalization Area Tax Increment Fund
- North Clackamas Parks and Recreation District:
 - Series 2010 Debt Service Fund
 - Series 2008 Debt Service Fund

**CLACKAMAS COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2017**

	Clackamas County Development Agency		North Clackamas Parks and Recreation District		Total
	Clackamas County Debt Service Fund	North Clackamas Revitalization Tax Increment Fund	North Clackamas Parks and Recreation District Series 2010 Debt Service Fund	North Clackamas Parks and Recreation District Series 2008 Debt Service Fund	
ASSETS					
Cash and Investments	\$ 532,741	\$ 749,352	\$ 1,621,676	\$ 111,355	\$ 3,015,124
Taxes receivable	-	132,406	-	-	132,406
Assessment receivable	61,950	-	-	-	61,950
Due from other funds	34,738	-	-	-	34,738
TOTAL ASSETS	\$ 629,429	\$ 881,758	\$ 1,621,676	\$ 111,355	\$ 3,244,218
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Deferred inflows of resources:					
Unavailable revenue	\$ 61,950	\$ 119,816	\$ -	\$ -	\$ 181,766
TOTAL DEFERRED INFLOWS OF RESOURCES	61,950	119,816	-	-	181,766
Fund balances (deficit):					
Restricted	567,479	761,942	1,500,000	111,355	2,940,776
Assigned	-	-	121,676	-	121,676
TOTAL FUND BALANCES (DEFICIT)	567,479	761,942	1,621,676	111,355	3,062,452
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 629,429	\$ 881,758	\$ 1,621,676	\$ 111,355	\$ 3,244,218

**CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Clackamas County Development Agency		North Clackamas Parks and Recreation District		Total
	Clackamas County Debt Service Fund	North Clackamas Revitalization Area Tax Increment Fund	North Clackamas Parks and Recreation District Series 2010 Debt Service Fund	North Clackamas Parks and Recreation District Series 2008 Debt Service Fund	
REVENUES:					
Property taxes	\$ -	\$ 2,723,261	\$ -	\$ -	\$ 2,723,261
Special assessment collections	19,803	-	-	-	19,803
Interest	13,513	25,669	15,317	1,548	56,047
Charges for services	3,362,414	-	-	-	3,362,414
Miscellaneous	-	2,401	-	-	2,401
TOTAL REVENUES	<u>3,395,730</u>	<u>2,751,331</u>	<u>15,317</u>	<u>1,548</u>	<u>6,163,926</u>
EXPENDITURES:					
Current:					
Culture, education and recreation:					
Materials and services	-	-	350	350	700
Debt service:					
Principal	5,445,000	360,000	355,000	365,000	6,525,000
Interest and fiscal charges	3,614,167	194,260	136,675	198,506	4,143,608
TOTAL EXPENDITURES	<u>9,059,167</u>	<u>554,260</u>	<u>492,025</u>	<u>563,856</u>	<u>10,669,308</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,663,437)</u>	<u>2,197,071</u>	<u>(476,708)</u>	<u>(562,308)</u>	<u>(4,505,382)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	5,661,805	-	491,675	563,857	6,717,337
Transfers out	-	(3,500,000)	-	-	(3,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,661,805</u>	<u>(3,500,000)</u>	<u>491,675</u>	<u>563,857</u>	<u>3,217,337</u>
NET CHANGE IN FUND BALANCE	<u>(1,632)</u>	<u>(1,302,929)</u>	<u>14,967</u>	<u>1,549</u>	<u>(1,288,045)</u>
FUND BALANCE, JUNE 30, 2016	<u>569,111</u>	<u>2,064,871</u>	<u>1,606,709</u>	<u>109,806</u>	<u>4,350,497</u>
FUND BALANCE, JUNE 30, 2017	<u>\$ 567,479</u>	<u>\$ 761,942</u>	<u>\$ 1,621,676</u>	<u>\$ 111,355</u>	<u>\$ 3,062,452</u>

**CLACKAMAS COUNTY, OREGON
CLACKAMAS TOWN CENTER TAX INCREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous:				
Interest	\$ 35,000	\$ 35,000	\$ 347,836	\$ 312,836
TOTAL REVENUES	<u>35,000</u>	<u>35,000</u>	<u>347,836</u>	<u>312,836</u>
EXPENDITURES:				
Contingency	1,500,000	1,500,000	-	1,500,000
TOTAL EXPENDITURES	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,465,000)</u>	<u>(1,465,000)</u>	<u>347,836</u>	<u>1,812,836</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,000,000)	(4,000,000)	(2,500,000)	1,500,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(2,500,000)</u>	<u>1,500,000</u>
NET CHANGE IN FUND BALANCE	<u>(5,465,000)</u>	<u>(5,465,000)</u>	<u>(2,152,164)</u>	<u>3,312,836</u>
FUND BALANCE, JUNE 30, 2016	<u>32,095,807</u>	<u>32,095,807</u>	<u>32,248,038</u>	<u>152,231</u>
FUND BALANCE, JUNE 30, 2017	<u>\$ 26,630,807</u>	<u>\$ 26,630,807</u>	<u>\$ 30,095,874</u>	<u>\$ 3,465,067</u>

**CLACKAMAS COUNTY, OREGON
CLACKAMAS COUNTY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Internal county services	\$ 3,307,023	\$ 3,307,023	\$ 3,362,414	\$ 55,391
Total charges for services	3,307,023	3,307,023	3,362,414	55,391
Miscellaneous:				
Interest	-	-	13,513	13,513
Special assessment collections	21,988	21,988	19,803	(2,185)
Total miscellaneous	21,988	21,988	33,316	11,328
TOTAL REVENUES	3,329,011	3,329,011	3,395,730	66,719
EXPENDITURES:				
Debt service:				
Principal	5,445,000	5,445,000	5,445,000	-
Interest and fiscal charges	4,103,804	4,114,927	3,614,167	500,760
TOTAL EXPENDITURES	9,548,804	9,559,927	9,059,167	500,760
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,219,793)	(6,230,916)	(5,663,437)	567,479
OTHER FINANCING SOURCES (USES):				
Transfers in	5,661,805	5,661,805	5,661,805	-
TOTAL OTHER FINANCING SOURCES (USES)	5,661,805	5,661,805	5,661,805	-
NET CHANGE IN FUND BALANCE	(557,988)	(569,111)	(1,632)	567,479
FUND BALANCE, JUNE 30, 2016	557,988	569,111	569,111	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 567,479	\$ 567,479

**CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS REVITALIZATION AREA TAX INCREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes:				
Property taxes	\$ 2,135,000	\$ 2,435,000	\$ 2,721,712	\$ 286,712
Total property taxes	2,135,000	2,435,000	2,721,712	286,712
Miscellaneous:				
Other	-	-	2,401	2,401
Interest	2,500	2,500	25,669	23,169
Total miscellaneous	2,500	2,500	28,070	25,570
TOTAL REVENUES	2,137,500	2,437,500	2,749,782	312,282
EXPENDITURES:				
Contingency	541,125	437,069	-	437,069
Debt service:				
Principal	360,000	360,000	360,000	-
Interest and fiscal charges	194,260	194,260	194,260	-
TOTAL EXPENDITURES	1,095,385	991,329	554,260	437,069
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,042,115	1,446,171	2,195,522	749,351
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,500,000)	(3,500,000)	(3,500,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,500,000)	(3,500,000)	(3,500,000)	-
NET CHANGE IN FUND BALANCE	(457,885)	(2,053,829)	(1,304,478)	749,351
FUND BALANCE, JUNE 30, 2016	457,885	2,053,829	2,053,829	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	749,351	\$ 749,351

**ADJUSTMENT TO ACCOUNTING PRINCIPLES
GENERALLY ACCEPTED IN THE UNITED
STATES OF AMERICA (US GAAP BASIS):**
Property taxes susceptible to accrual,
recognized as revenue on the US GAAP basis

12,591

FUND BALANCE - US GAAP BASIS, June 30, 2017

\$ 761,942

CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT SERIES 2010 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Internal county services	\$ 1,500,000	\$ 1,500,000	\$ -	\$ (1,500,000)
Total charges for services	1,500,000	1,500,000	-	(1,500,000)
Miscellaneous:				
Interest	309	309	15,317	15,008
Total miscellaneous	309	309	15,317	15,008
TOTAL REVENUES	1,500,309	1,500,309	15,317	(1,484,992)
EXPENDITURES:				
Current:				
Materials and services	15,500	15,500	350	15,150
Debt service:				
Bond defeasance	3,962,338	3,962,338	-	3,962,338
Principal	355,000	355,000	355,000	-
Interest and fiscal charges	136,700	136,700	136,675	25
TOTAL EXPENDITURES	4,469,538	4,469,538	492,025	3,977,513
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,969,229)	(2,969,229)	(476,708)	2,492,521
OTHER FINANCING SOURCES (USES):				
Transfers in	2,861,042	2,861,042	491,675	(2,369,367)
TOTAL OTHER FINANCING SOURCES (USES)	2,861,042	2,861,042	491,675	(2,369,367)
NET CHANGE IN FUND BALANCE	(108,187)	(108,187)	14,967	123,154
FUND BALANCE, JUNE 30, 2016	108,187	108,187	1,606,709	1,498,522
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 1,621,676	\$ 1,621,676

CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT SERIES 2008 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous:				
Interest	\$ 300	\$ 300	\$ 1,548	\$ 1,248
Total miscellaneous	300	300	1,548	1,248
TOTAL REVENUES	300	300	1,548	1,248
EXPENDITURES:				
Current:				
Culture, education and recreation:				
Materials and services	500	500	350	150
Debt service:				
Principal	365,000	365,000	365,000	-
Interest and fiscal charges	210,000	210,000	198,506	11,494
TOTAL EXPENDITURES	575,500	575,500	563,856	11,644
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(575,200)	(575,200)	(562,308)	12,892
OTHER FINANCING SOURCES (USES):				
Transfers in	630,000	630,000	563,857	(66,143)
TOTAL OTHER FINANCING SOURCES (USES)	630,000	630,000	563,857	(66,143)
NET CHANGE IN FUND BALANCE	54,800	54,800	1,549	(53,251)
FUND BALANCE, JUNE 30, 2016	104,643	104,643	109,806	5,163
FUND BALANCE, JUNE 30, 2017	\$ 159,443	\$ 159,443	\$ 111,355	\$ (48,088)

CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for revenue derived primarily from sale of bonds, grants and transfers from other funds. Funds included in this fund category are:

MAJOR CAPITAL PROJECTS FUND

- DTD Capital Projects Fund

NONMAJOR CAPITAL PROJECTS FUNDS

- Capital Projects Reserve Fund
- Clackamas County Development Agency:
 - Clackamas Town Center Development Area Fund
 - Clackamas Industrial Development Area Fund
 - North Clackamas Revitalization Area Fund
- North Clackamas Parks and Recreation District:
 - Capital Projects Fund
 - Capital Asset Replacement Fund

**CLACKAMAS COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017**

	Clackamas County Development Agency				North Clackamas Parks and Recreation District		Total
	Capital Projects Reserve Fund	Clackamas Town Center Development Area Fund	Clackamas Industrial Development Area Fund	North Clackamas Revitalization Area Fund	Capital Projects Fund	Capital Asset Replacement Fund	
ASSETS							
Cash and investments	\$ 8,244,856	\$ 2,561,117	\$ 2,153,820	\$ 1,526,724	\$ 520,420	\$ 3,660,325	\$ 18,687,282
Accounts receivable	-	2,346,436	-	-	-	-	2,346,436
Grants receivable	-	-	-	-	11,427	-	11,427
Property held for sale	-	1,406,985	5,889,789	-	-	-	7,296,774
Contracts receivable	-	-	-	146,608	-	-	146,608
TOTAL ASSETS	\$ 8,244,856	\$ 6,314,538	\$ 8,043,609	\$ 1,673,332	\$ 531,847	\$ 3,660,325	\$ 28,468,507
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 58,600	\$ 521,585	\$ 41,029	\$ 160,981	\$ 8,659	\$ 37,749	\$ 829,603
Due to other funds	3,491	111,952	21,543	145,004	1,441	3,671	287,102
Deposits	-	7,500	11,786	-	-	-	19,286
TOTAL LIABILITIES	62,091	641,037	74,358	305,985	11,100	41,420	1,135,991
Fund balances:							
Restricted	-	5,673,501	7,969,251	1,367,347	520,747	-	15,530,846
Assigned	8,182,765	-	-	-	-	3,618,905	11,801,670
TOTAL FUND BALANCES	8,182,765	5,673,501	7,969,251	1,367,347	520,747	3,618,905	27,332,516
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 8,244,856	\$ 6,314,538	\$ 8,043,609	\$ 1,673,332	\$ 531,847	\$ 3,660,325	\$ 28,468,507

**CLACKAMAS COUNTY, OREGON
 DTD CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017**

CLACKAMAS COUNTY, OREGON COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED JUNE 30, 2017						
	Clackamas County Development Agency				North Clackamas Parks and Recreation District	
	Capital Projects Reserve Fund	Clackamas Town Center Development Area Fund	Clackamas Industrial Development Area Fund	Clackamas North Development Area Fund	Capital Projects Fund	Capital Asset Replacement Fund
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ 500,000	\$ -	\$ 21,583	\$ -
Charges for services	-	300,997	91,601	-	-	-
Interest	51,077	56,346	27,674	6,847	3,983	31,208
Miscellaneous	110,846	38,650	-	58,006	-	-
TOTAL REVENUES	161,923	415,993	619,075	64,853	25,566	31,208
EXPENDITURES:						
Current:						
Public ways and facilities	180,006	3,426,741	699,907	482,296	-	96
Materials and services	2,807,990	4,685,282	130,010	2,795,756	188,047	197,738
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	3,098,016	8,112,023	829,917	3,278,022	188,047	197,834
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,936,093)	(7,696,130)	(210,842)	(3,213,169)	(162,481)	(166,626)
OTHER FINANCING SOURCES (USES):						
Gain on property sales	-	678,312	-	-	-	678,312
Transfers in	3,200,000	2,500,000	-	3,500,000	181,776	1,200,000
Transfers out	-	-	-	-	-	(138,000)
TOTAL OTHER FINANCING SOURCES (USES)	3,200,000	3,178,312	-	3,500,000	181,776	1,060,312
NET CHANGE IN FUND BALANCE	263,007	(4,517,818)	(210,842)	286,831	19,205	898,374
FUND BALANCE, JUNE 30, 2016	7,919,758	10,191,319	8,180,093	1,080,516	501,452	2,720,531
FUND BALANCE, JUNE 30, 2017	\$ 8,182,765	\$ 5,673,501	\$ 7,969,251	\$ 1,367,347	\$ 520,747	\$ 3,618,905

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental				
Federal	\$ 7,966,354	\$ 7,966,354	\$ 4,557,419	\$ (3,408,935)
State	9,373,019	9,373,019	4,535,108	(4,837,911)
Local	350,000	350,000	282,787	(67,213)
Total intergovernmental	17,689,373	17,689,373	9,375,314	(8,314,059)
Charges for services				
Internal county services	-	-	2,475	2,475
Total charges for services	-	-	2,475	2,475
TOTAL REVENUES	17,689,373	17,689,373	9,377,789	(8,311,584)
EXPENDITURES:				
Current:				
Materials and services	-	3,500,000	2,709	3,497,291
Capital outlay	20,804,048	21,109,418	11,115,612	9,993,806
TOTAL EXPENDITURES	20,804,048	24,609,418	11,118,321	13,491,097
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,114,675)	(6,920,045)	(1,740,532)	5,179,513
OTHER FINANCING SOURCES (USES):				
Transfers in	2,865,084	6,715,084	4,839,690	(1,875,394)
TOTAL OTHER FINANCING SOURCES (USES)	2,865,084	6,715,084	4,839,690	(1,875,394)
NET CHANGE IN FUND BALANCE	(249,591)	(204,961)	3,099,158	3,304,119
FUND BALANCE, JUNE 30, 2016	249,591	204,961	204,961	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 3,304,119	\$ 3,304,119

**CLACKAMAS COUNTY, OREGON
CAPITAL PROJECTS RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous:				
Other	\$ -	\$ 30,087	\$ 110,846	\$ 80,759
Interest	40,000	40,000	51,077	11,077
Total miscellaneous	40,000	70,087	161,923	91,836
TOTAL REVENUES	40,000	70,087	161,923	91,836
EXPENDITURES:				
Current:				
Public ways and facilities	239,064	239,064	190,926	48,138
Capital outlay	9,893,881	8,278,175	2,907,990	5,370,185
Contingency	477,573	477,573	-	477,573
TOTAL EXPENDITURES	10,610,518	8,994,812	3,098,916	5,895,896
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,570,518)	(8,924,725)	(2,936,993)	5,987,732
OTHER FINANCING SOURCES (USES):				
Transfers in	3,200,000	3,200,000	3,200,000	-
TOTAL OTHER FINANCING SOURCES (USES)	3,200,000	3,200,000	3,200,000	-
NET CHANGE IN FUND BALANCE	(7,370,518)	(5,724,725)	263,007	5,987,732
FUND BALANCE, JUNE 30, 2016	9,565,548	7,919,755	7,919,758	-
FUND BALANCE, JUNE 30, 2017	\$ 2,195,030	\$ 2,195,030	\$ 8,182,765	\$ 5,987,732

**CLACKAMAS COUNTY, OREGON
LID CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous:				
Interest	\$ 3,000	\$ 3,000	\$ 3,914	\$ 914
Total miscellaneous	3,000	3,000	3,914	914
TOTAL REVENUES	3,000	3,000	3,914	914
EXPENDITURES:				
Current:				
Public ways and facilities	200,000	200,000	94	199,906
Contingency	339,748	340,158	-	340,158
TOTAL EXPENDITURES	539,748	540,158	94	540,064
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(536,748)	(537,158)	3,820	540,978
NET CHANGE IN FUND BALANCE	(536,748)	(537,158)	3,820	540,978
FUND BALANCE, JUNE 30, 2016	536,748	537,158	537,158	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 540,978	\$ 540,978

CLACKAMAS COUNTY, OREGON
CLACKAMAS TOWN CENTER DEVELOPMENT AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Charges for services	\$ 200,000	\$ 200,000	\$ 245,859	\$ 45,859
Internal county services	90,000	90,000	75,138	(14,862)
Total charges for services	290,000	290,000	320,997	30,997
Miscellaneous:				
Interest	15,000	15,000	56,346	41,346
Other	3,000	3,000	3,363	363
Asset and property proceeds	700,000	700,000	35,187	(664,813)
Total miscellaneous	718,000	718,000	94,896	(623,104)
TOTAL REVENUES	1,008,000	1,008,000	415,893	(592,107)
EXPENDITURES:				
Current:				
Public ways and facilities				
Materials and services	1,136,443	1,139,065	583,804	555,261
Capital outlay	8,465,000	6,700,543	4,385,274	2,315,269
Contingency	1,141,655	1,141,655	-	1,141,655
Special payments	2,842,937	2,842,937	2,842,937	-
TOTAL EXPENDITURES	13,586,035	11,824,200	7,812,015	4,012,185
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,578,035)	(10,816,200)	(7,396,122)	3,420,078
OTHER FINANCING SOURCES (USES):				
Transfers in	4,000,000	4,000,000	2,500,000	(1,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	4,000,000	4,000,000	2,500,000	(1,500,000)
NET CHANGE IN FUND BALANCE	(8,578,035)	(6,816,200)	(4,896,122)	1,920,078
FUND BALANCE, JUNE 30, 2016	8,578,035	6,816,200	6,816,202	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	1,920,080	\$ 1,920,078
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Accounts receivable for funds in escrow			2,346,436	
Property held for sale			1,406,985	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 5,673,501	

CLACKAMAS COUNTY, OREGON
CLACKAMAS INDUSTRIAL DEVELOPMENT AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
State	\$ -	\$ -	\$ 500,000	\$ 500,000
Total intergovernmental	-	-	500,000	500,000
Charges for services:				
Charges for services	110,000	110,000	91,601	(18,399)
Total charges for services	110,000	110,000	91,601	(18,399)
Miscellaneous:				
Interest	5,000	5,000	27,474	22,474
Asset and property proceeds	3,000,000	3,000,000	-	(3,000,000)
Total miscellaneous	3,005,000	3,005,000	27,474	(2,977,526)
TOTAL REVENUES	3,115,000	3,115,000	619,075	(2,495,925)
EXPENDITURES:				
Current:				
Public ways and facilities:				
Materials and services	269,525	269,525	186,407	83,118
Capital outlay	3,410,000	3,410,000	130,010	3,279,990
Contingency	761,273	761,273	-	761,273
Special payments	650,000	650,000	513,500	136,500
TOTAL EXPENDITURES	5,090,798	5,090,798	829,917	4,260,881
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,975,798)	(1,975,798)	(210,842)	1,764,956
NET CHANGE IN FUND BALANCE	(1,975,798)	(1,975,798)	(210,842)	1,764,956
FUND BALANCE, JUNE 30, 2016	1,975,798	1,975,798	2,290,304	314,505
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	2,079,462	\$ 2,079,461
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Property held for sale			5,889,789	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 7,969,251	

**CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS REVITALIZATION AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous:				
Other	\$ -	\$ -	\$ 42,222	\$ 42,222
Interest	2,500	2,500	6,847	4,347
Total miscellaneous	2,500	2,500	49,069	46,569
TOTAL REVENUES	2,500	2,500	49,069	46,569
EXPENDITURES:				
Current:				
Public ways and facilities:				
Materials and services	1,061,122	561,122	411,284	149,838
Capital outlay	1,175,000	3,591,070	2,795,756	795,314
Contingency	827,377	250,000	-	250,000
Special payments	50,000	50,000	70,982	(20,982)
TOTAL EXPENDITURES	3,113,499	4,452,192	3,278,022	1,174,170
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,110,999)	(4,449,692)	(3,228,953)	1,220,739
OTHER FINANCING SOURCES (USES):				
Transfers in	1,500,000	3,500,000	3,500,000	-
TOTAL OTHER FINANCING SOURCES (USES)	1,500,000	3,500,000	3,500,000	-
NET CHANGE IN FUND BALANCE	(1,610,999)	(949,692)	271,047	1,220,739
FUND BALANCE, JUNE 30, 2016	1,610,999	949,692	949,692	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	1,220,739	\$ 1,220,739
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Contract receivable susceptible to accrual			146,608	
FUND BALANCE - US GAAP BASIS, June 30, 2017			\$ 1,367,347	

**CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT -
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
State	\$ -	\$ -	\$ 14,986	\$ 14,986
Local	1,924,106	1,924,106	6,597	(1,917,509)
Total intergovernmental	1,924,106	1,924,106	21,583	(1,902,523)
Miscellaneous:				
Other	1,895,560	1,895,560	-	(1,895,560)
Interest	-	-	3,983	3,983
Total miscellaneous	1,895,560	1,895,560	3,983	(1,891,577)
TOTAL REVENUES	3,819,666	3,819,666	25,566	(3,794,100)
EXPENDITURES:				
Capital outlay	10,711,000	10,872,000	188,047	10,683,953
TOTAL EXPENDITURES	10,711,000	10,872,000	188,047	10,683,953
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,891,334)	(7,052,334)	(162,481)	6,889,853
OTHER FINANCING SOURCES (USES):				
Transfers in	6,376,774	6,537,774	181,776	(6,355,998)
TOTAL OTHER FINANCING SOURCES (USES)	6,376,774	6,537,774	181,776	(6,355,998)
NET CHANGE IN FUND BALANCE	(514,560)	(514,560)	19,295	533,855
FUND BALANCE, JUNE 30, 2016	514,560	514,560	501,452	(13,108)
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 520,747	\$ 520,747

**CLACKAMAS COUNTY, OREGON
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT -
CAPITAL ASSET REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Local	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Total intergovernmental	25,000	25,000	-	(25,000)
Miscellaneous:				
Interest	7,000	7,000	31,208	24,208
Total miscellaneous	7,000	7,000	31,208	24,208
TOTAL REVENUES	32,000	32,000	31,208	(792)
EXPENDITURES:				
Current:				
Public ways and facilities:				
Materials and services	45,000	45,000	96	44,904
Capital outlay	1,322,494	1,322,494	197,738	1,124,756
Contingency	95,000	95,000	-	95,000
Special payments	5,000	5,000	-	5,000
TOTAL EXPENDITURES	1,467,494	1,467,494	197,834	1,269,660
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,435,494)	(1,435,494)	(166,626)	1,268,868
OTHER FINANCING SOURCES (USES):				
Transfers in	1,200,000	1,200,000	1,200,000	-
Transfers out	(2,496,042)	(2,496,042)	(135,000)	2,361,042
TOTAL OTHER FINANCING SOURCES (USES)	(1,296,042)	(1,296,042)	1,065,000	2,361,042
NET CHANGE IN FUND BALANCE	(2,731,536)	(2,731,536)	898,374	3,629,910
FUND BALANCE, JUNE 30, 2016	2,731,536	2,731,536	2,720,531	(11,005)
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	\$ 3,618,905	\$ 3,618,905

INTERNAL SERVICE FUNDS

The Internal Service Funds account for services and activities provided by the County for other units within and outside the County. Funds included in this category are:

- Self-Insurance Funds:
 - Self-Insurance Fund - accounts for the dental and short-term disability self-insured programs, employee assistance and wellness activities, and flexible spending accounts for health care and dependent care expenses.
 - Risk Management Claims Fund - accounts for the general liability self-insured program, workers' compensation self-insured program, and unemployment liability self-insured program.
- Other Internal Service Funds - account for administration and services, such as printing, communications, equipment, vehicle and facilities management, provided to other County funds and other governmental agencies. These funds are as follows:
 - Cable Administration Fund (Closed in 2017)
 - Records Management Fund
 - Facilities Management Fund
 - Electronic Services Fund
 - Central Dispatch Fund
 - Fleet Services Fund
 - Technology Services Fund

**CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017**

	Self-Insurance Fund	Risk Management Claims Fund	Cable Administration Fund	Records Management Fund	Facilities Management Fund	Electronic Services Fund	Central Dispatch Fund	Fleet Services Fund	Technology Services Fund	Totals
ASSETS										
Current assets:										
Cash and investments	\$ 5,123,268	\$ 11,396,258	\$ -	\$ 120,268	\$ 2,010,194	\$ 1,076,719	\$ 1,900,021	\$ 218,681	\$ 3,526,506	\$ 25,371,915
Accounts receivable	16,824	5,439	-	2,412	33,245	30,542	6,321	8,859	109,934	109,934
Due from other funds	-	-	-	3,549	71,307	99,916	-	314,439	150,184	629,295
Other assets	12,396	100,912	-	-	-	-	22,439	-	425	136,172
Total current assets	5,152,488	11,502,609	-	126,229	2,114,746	1,207,177	1,928,781	541,779	3,683,607	26,257,416
Noncurrent assets:										
Capital assets:										
Capital assets not being depreciated	-	-	-	-	-	404,038	-	-	266,500	670,538
Depreciable capital assets, net of depreciation	-	-	-	784	315,630	604,487	143,647	3,073,266	1,411,587	5,649,381
Total noncurrent assets	-	-	-	784	315,630	1,008,525	143,647	3,073,266	1,678,087	6,219,919
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	238,241	2,180,356	467,649	3,445,600	623,163	4,327,544	11,282,593
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,152,488	\$ 11,502,609	\$ -	\$ 365,254	\$ 4,610,772	\$ 2,693,351	\$ 5,518,028	\$ 4,238,208	\$ 9,689,218	\$ 43,759,928
LIABILITIES AND FUND BALANCES										
Current liabilities:										
Accounts payable	\$ 437,031	\$ 138,437	\$ -	\$ 8,770	\$ 386,771	\$ 59,098	\$ 50,334	\$ 85,447	\$ 41,605	\$ 1,207,493
Accrued payroll	-	8,801	-	11,715	152,407	33,842	208,466	162,052	208,626	829,909
Compensated absences current	-	-	-	8,606	143,751	50,994	237,641	42,437	364,164	847,593
Claims payable	2,061,401	7,610,462	-	-	-	-	-	-	-	9,671,863
Unearned revenue	231	-	-	-	-	-	-	-	-	232
Deposits	-	-	-	-	1,850	-	-	-	-	1,850
Due to other funds	279,840	1,324,901	-	-	-	-	3,523	-	-	1,608,264
Total current liabilities	2,778,503	9,082,701	-	29,091	684,780	143,734	559,964	183,936	704,395	14,167,104
Noncurrent liabilities:										
Compensated absences noncurrent	-	-	-	1,174	19,621	6,960	32,436	5,792	49,705	115,688
Net pension liability	-	-	-	435,600	3,987,099	850,149	6,300,666	1,139,523	7,913,400	20,631,487
Other postemployment benefits	-	-	-	49,954	456,092	97,933	721,446	139,497	908,098	2,362,988
Total noncurrent liabilities	-	-	-	486,628	4,463,340	960,042	7,054,548	1,275,812	8,869,163	23,109,533
DEFERRED INFLOWS OF RESOURCES	-	-	-	18,649	170,875	36,606	269,711	48,779	338,747	883,167
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,778,503	9,082,701	-	534,368	5,318,795	1,140,382	7,884,223	1,508,527	9,912,305	38,159,804
NET POSITION										
Net investment in capital assets	-	-	-	1,808	315,630	1,008,525	143,647	3,073,266	1,278,090	5,621,886
Unrestricted	2,373,985	2,419,908	-	(171,022)	(1,022,653)	534,444	(2,509,842)	(943,055)	(1,651,172)	(220,942)
TOTAL NET POSITION	\$ 2,373,985	\$ 2,419,908	\$ -	\$ (169,114)	\$ (708,023)	\$ 1,542,969	\$ (2,366,195)	\$ 2,729,681	\$ (223,087)	\$ 5,600,124

**CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Self-Insurance Fund	Risk Management Claims Fund	Cable Administration Fund	Records Management Fund	Facilities Management Fund	Electronic Services Fund	Central Dispatch Fund	Fleet Services Fund	Technology Services Fund	Total
OPERATING REVENUES:										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,601,183
Charges for services	330,334	7,919,810	-	689,019	7,649,679	2,695,849	5,083,711	3,221,837	11,763,183	39,383,422
Miscellaneous	28,877,499	1,799	-	-	2,080,687	-	10,995	15,296	271,876	31,060,865
TOTAL OPERATING REVENUES	29,007,833	7,921,609	-	689,019	9,730,266	2,695,849	6,694,889	3,237,833	12,119,159	72,088,457
OPERATING EXPENSES:										
Claims	25,574,426	5,074,132	-	-	-	-	-	-	-	30,648,558
Labor and fringe benefits	-	-	-	396,248	3,912,418	850,126	6,216,674	1,082,086	7,655,922	20,113,474
OPER expenses	-	-	-	(2,602)	46,964	12,957	86,238	9,935	72,044	223,886
Supplies	-	-	-	204,717	5,695,909	1,462,610	1,083,457	2,368,773	3,418,790	14,234,246
Other expenses	74,979	-	-	-	-	-	-	-	-	74,979
Depreciation and amortization	-	-	-	-	22,628	206,599	40,990	661,044	561,556	1,492,817
TOTAL OPERATING EXPENSES	25,649,405	5,074,132	-	598,313	9,676,519	2,532,192	7,427,359	4,121,938	11,708,302	66,788,060
OPERATING INCOME (LOSS)	3,358,428	2,847,477	-	90,706	55,747	163,657	(732,470)	(884,005)	410,857	5,310,397
NONOPERATING INCOME (EXPENSE):										
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-	(80,704)
Interest income	21,280	64,450	47,679	(1,124)	-	5,627	14,071	-	-	29,129
TOTAL NONOPERATING INCOME (EXPENSE)	21,280	64,450	47,679	(1,124)	-	5,627	14,071	-	-	(65,575)
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	3,379,708	2,911,927	47,679	89,582	55,747	169,284	(718,399)	(884,005)	345,282	5,306,805
OTHER FINANCING SOURCES (USES):										
Transfers in	-	-	-	-	-	-	-	-	1,000,859	73,000
Transfers out	-	-	(343,527)	-	-	-	-	-	-	(343,527)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(343,527)	-	-	-	-	-	1,000,859	73,000
CHANGE IN NET POSITION	3,379,708	2,911,927	(295,848)	89,582	55,747	169,284	(718,399)	(116,854)	418,282	6,127,137
NET POSITION, JUNE 30, 2016	(1,005,723)	(492,019)	295,848	(258,696)	(763,770)	1,373,885	(1,647,796)	2,612,927	(641,369)	(627,013)
NET POSITION, JUNE 30, 2017	\$ 2,373,985	\$ 2,419,908	\$ -	\$ (169,114)	\$ (708,023)	\$ 1,542,969	\$ (2,366,195)	\$ 2,729,681	\$ (223,087)	\$ 5,600,124

**CLACKAMAS COUNTY, OREGON
SELF-INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Charges to other County funds	\$ 274,624	\$ 274,624	\$ 330,334	\$ 55,710
Total charges for services	274,624	274,624	330,334	55,710
Miscellaneous:				
Reimbursements	6,126,252	6,126,252	5,296,319	(829,933)
Interest	3,000	3,000	21,280	18,280
Other	27,706,896	27,706,896	23,381,180	(4,325,716)
Total miscellaneous	33,836,148	33,836,148	28,698,779	(5,137,369)
TOTAL REVENUES	34,110,772	34,110,772	29,029,113	(5,081,659)
EXPENDITURES:				
Current - organizational unit:				
General government	30,804,818	30,804,818	26,146,454	4,658,364
Contingency	5,338,718	2,458,231	-	2,458,231
Special payments	89,000	89,000	74,979	14,021
TOTAL EXPENDITURES	36,232,536	33,352,049	26,221,433	7,130,616
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,121,764)	758,723	2,807,680	2,048,957
NET CHANGE IN FUND BALANCE	(2,121,764)	758,723	2,807,680	2,048,957
FUND BALANCE, JUNE 30, 2016	4,508,193	1,627,706	1,627,706	-
FUND BALANCE, JUNE 30, 2017	\$ 2,386,429	\$ 2,386,429	4,435,386	\$ 2,048,957
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)				
Claims payable			(2,061,401)	
NET POSITION, as of June 30, 2017			\$ 2,373,985	

**CLACKAMAS COUNTY, OREGON
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Self-Insurance Fund	Risk Management Claims Fund	Cable Administration Fund	Record Management Fund	Facilities Management Fund	Electronic Services Fund	Central Dispatch Fund	Fleet Services Fund	Technology Services Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:										
Cash received for services	\$ 28,991,132	\$ 8,106,453	\$ -	\$ 687,106	\$ 9,730,625	\$ 2,629,416	\$ 5,127,524	\$ 2,951,617	\$ 12,014,148	\$ 70,238,020
Cash paid for claims and legal fees	(27,423,942)	(3,656,129)	-	-	-	-	-	-	-	(31,080,071)
Cash paid to suppliers for goods and services	-	-	-	(197,347)	(5,625,133)	(1,485,533)	(1,063,360)	(2,397,086)	(3,274,143)	(14,342,602)
Cash paid to employees for services	-	-	-	(412,181)	(3,647,051)	(786,152)	(5,786,794)	(1,037,485)	(7,252,049)	(16,937,669)
Operating grant	-	-	-	-	-	1,600,193	-	-	58,000	1,658,183
NET CASH FROM OPERATING ACTIVITIES	1,567,200	4,440,324	-	77,577	468,441	367,731	(132,417)	(482,949)	1,271,965	7,557,962
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:										
Disposal of capital assets	-	-	(159,250)	-	-	-	-	-	-	(159,250)
Acquisition of capital assets	-	-	-	-	(98,956)	(108,930)	-	(818,873)	(480,701)	(1,487,460)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	(159,250)	-	(98,956)	(108,930)	-	(818,873)	(480,701)	(1,646,712)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:										
Transfers from other funds	-	-	(343,527)	-	-	-	-	1,000,859	73,000	1,073,859
Transfers to other funds	-	-	-	-	-	-	-	-	-	(343,527)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	-	-	(343,527)	-	-	-	-	1,000,859	73,000	730,332
CASH FLOWS FROM INVESTING ACTIVITIES:										
Interest received on investments	21,280	64,460	-	-	-	5,827	14,071	-	20,129	125,557
NET CASH FLOWS FROM INVESTING ACTIVITIES	21,280	64,460	-	-	-	5,827	14,071	-	20,129	125,557
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,588,570	4,504,774	(502,777)	77,577	369,485	254,428	(118,346)	(300,965)	904,203	6,767,139
CASH AND CASH EQUIVALENTS, JUNE 30, 2016	3,634,698	6,891,484	502,777	42,891	1,650,709	822,291	2,018,367	519,646	2,622,113	18,604,776
CASH AND CASH EQUIVALENTS, JUNE 30, 2017	\$ 5,123,268	\$ 11,396,258	\$ -	\$ 120,268	\$ 2,015,194	\$ 1,076,719	\$ 1,900,021	\$ 218,681	\$ 3,526,306	\$ 25,371,915
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES										
Operating income (loss)	\$ 3,358,428	\$ 2,847,477	\$ -	\$ 90,706	\$ 56,747	\$ 163,657	\$ (732,470)	\$ (884,005)	\$ 410,857	\$ 6,310,397
Adjustments to reconcile operating income (loss) to net cash from operating activities:										
Depreciation and amortization	-	-	-	-	22,828	206,589	40,360	861,044	561,556	1,432,817
Provision for doubtful accounts	-	-	-	6,114	331,213	83,509	680,396	81,880	583,070	1,666,782
Changes in assets and liabilities:										
Accounts receivable	(16,155)	(5,439)	-	(2,004)	(10,299)	(2,040)	1,888	2,007	41,158	9,116
Due from other funds	-	188,079	-	90	7,108	(64,303)	-	(288,223)	(84,949)	(222,288)
Other assets	(546)	2,204	-	1,599	27,407	1,599	-	-	2,780	(33,444)
Accounts payable	(1,142,612)	(228,859)	-	7,370	72,041	(22,923)	20,097	(28,313)	(156,363)	(1,478,652)
Accrued payroll	(37,855)	(11,211)	-	(24,958)	(24,958)	(186,501)	(24,831)	(218,319)	(218,319)	(643,053)
Compensated absences	(572,008)	303,472	-	2,912	37,306	6,530	36,015	(12,843)	38,531	108,671
Claims payable	-	-	-	(2,852)	45,564	12,857	86,238	9,935	72,044	(248,568)
DFEB liability	(1,782)	-	-	-	-	-	-	-	-	(1,782)
Unearned revenue	279,840	1,324,901	-	-	(50)	-	-	-	-	1,604,691
Deposits	-	-	-	-	-	3,523	-	-	-	3,523
Due to other funds	-	-	-	-	-	-	-	-	-	-
Total adjustments	(1,791,138)	1,992,847	-	(13,129)	402,684	194,074	600,053	401,056	861,108	2,247,665
NET CASH FROM OPERATING ACTIVITIES	\$ 1,567,200	\$ 4,440,324	\$ -	\$ 77,577	\$ 468,441	\$ 367,731	\$ (132,417)	\$ (482,949)	\$ 1,271,965	\$ 7,557,962

**CLACKAMAS COUNTY, OREGON
RISK MANAGEMENT CLAIMS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Internal county services	\$ 8,110,447	\$ 8,110,447	\$ 7,919,810	\$ (190,637)
Total charges for services	8,110,447	8,110,447	7,919,810	(190,637)
Miscellaneous:				
Reimbursements	145,271	145,271	-	(145,271)
Interest	5,000	5,000	64,450	59,450
Other	1,500	1,500	1,799	299
Total miscellaneous	151,771	151,771	66,249	(85,522)
TOTAL REVENUES	8,262,218	8,262,218	7,986,059	(276,159)
EXPENDITURES:				
Current - organizational unit:				
General government	5,258,086	6,008,838	4,750,660	1,258,178
Contingency	7,629,006	5,417,134	-	5,417,134
TOTAL EXPENDITURES	12,887,092	11,425,972	4,750,660	6,675,312
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,624,874)	(3,163,754)	3,235,399	6,399,153
NET CHANGE IN FUND BALANCE	(4,624,874)	(3,163,754)	3,235,399	6,399,153
FUND BALANCE, JUNE 30, 2016	6,124,874	6,794,971	6,794,971	-
FUND BALANCE, JUNE 30, 2017	\$ 1,500,000	\$ 3,631,217	10,030,370	\$ 6,399,153
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)				
Claims payable			(7,610,462)	
NET POSITION, as of June 30, 2017			\$ 2,419,908	

**CLACKAMAS COUNTY, OREGON
CABLE ADMINISTRATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Local	\$ 325,000	\$ -	\$ -	\$ -
Total intergovernmental	325,000	-	-	-
Charges for services:				
Charges for services	250	-	-	-
Total charges for services	250	-	-	-
Miscellaneous:				
Other	450	-	-	-
Interest	485	-	-	-
Total miscellaneous	935	-	-	-
TOTAL REVENUES	326,185	-	-	-
EXPENDITURES:				
Current - organizational unit:				
General government	1,233,736	-	-	-
TOTAL EXPENDITURES	1,233,736	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(907,551)	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	709,472	-	-	-
Transfers out	-	(343,527)	(343,527)	-
TOTAL OTHER FINANCING SOURCES (USES)	709,472	(343,527)	(343,527)	-
NET CHANGE IN FUND BALANCE	(198,079)	(343,527)	(343,527)	-
FUND BALANCE, JUNE 30, 2016	247,258	343,527	343,527	-
FUND BALANCE, JUNE 30, 2017	\$ 49,179	\$ -	-	\$ -

**CLACKAMAS COUNTY, OREGON
RECORDS MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Internal county services	\$ 464,645	\$ 464,645	\$ 482,723	\$ 18,078
Other	133,925	163,925	206,296	42,371
Total charges for services	598,570	628,570	689,019	60,449
TOTAL REVENUES	598,570	628,570	689,019	60,449
EXPENDITURES:				
Current - organizational unit:				
General government	609,531	639,531	591,939	47,592
TOTAL EXPENDITURES	609,531	639,531	591,939	47,592
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,961)	(10,961)	97,080	108,041
NET CHANGE IN FUND BALANCE	(10,961)	(10,961)	97,080	108,041
FUND BALANCE, JUNE 30, 2016	10,961	10,961	8,664	(2,297)
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	105,744	\$ 105,744
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Investment in capital assets			784	
Deferred outflows of resources			238,241	
Compensated absences			(9,780)	
Other postemployment benefits			(49,804)	
Net pension liability			(435,650)	
Deferred inflows of resources			(18,649)	
NET POSITION, as of June 30, 2017			\$ (169,114)	

**CLACKAMAS COUNTY, OREGON
FACILITIES MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Internal county services	\$ 324,800	\$ 324,800	\$ 234,061	\$ (90,739)
Other	7,594,398	7,594,398	7,310,876	(283,522)
Other	59,271	59,271	104,742	45,471
Total charges for services	7,978,469	7,978,469	7,649,679	(328,790)
Miscellaneous:				
Reimbursements	2,071,224	2,071,224	2,073,382	2,158
Other	3,016	3,016	9,205	6,189
Total miscellaneous	2,074,240	2,074,240	2,082,587	8,347
TOTAL REVENUES	10,052,709	10,052,709	9,732,266	(320,443)
EXPENDITURES:				
Current - organizational unit:				
General government	10,404,816	10,667,904	9,239,628	1,428,276
Capital outlay	205,000	454,234	99,116	355,118
Contingency	200,000	110,766	-	110,766
TOTAL EXPENDITURES	10,809,816	11,232,904	9,338,744	1,894,160
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(757,107)	(1,180,195)	393,522	1,573,717
NET CHANGE IN FUND BALANCE	(757,107)	(1,180,195)	393,522	1,573,717
FUND BALANCE, JUNE 30, 2016	757,107	1,180,195	1,180,195	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	1,573,717	\$ 1,573,717
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Investment in capital assets			315,630	
Deferred outflows of resources			2,180,396	
Compensated absences			(163,372)	
Other postemployment benefits			(456,620)	
Net pension liability			(3,987,099)	
Deferred inflows of resources			(170,675)	
NET POSITION, as of June 30, 2017			\$ (708,023)	

**CLACKAMAS COUNTY, OREGON
ELECTRONIC SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Internal county services	\$ 2,453,291	\$ 2,453,291	\$ 2,583,185	\$ 129,894
Other	-	-	112,664	112,664
Total charges for services	2,453,291	2,453,291	2,695,849	242,558
Miscellaneous:				
Interest	-	-	5,627	5,627
Total miscellaneous	-	-	5,627	5,627
TOTAL REVENUES	2,453,291	2,453,291	2,701,476	248,185
EXPENDITURES:				
Current - organizational unit:				
General government	2,804,283	3,197,879	2,331,627	866,252
TOTAL EXPENDITURES	2,804,283	3,197,879	2,331,627	866,252
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(350,992)	(744,588)	369,849	1,114,437
NET CHANGE IN FUND BALANCE	(350,992)	(744,588)	369,849	1,114,437
FUND BALANCE, JUNE 30, 2016	350,992	744,588	744,588	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	1,114,437	\$ 1,114,437
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)				
Investment in capital assets			1,008,525	
Deferred outflows of resources			467,649	
Compensated absences			(57,954)	
Other postemployment benefits			(97,933)	
Net pension liability			(855,149)	
Deferred inflows of resources			(36,606)	
NET POSITION, as of June 30, 2017			\$ 1,542,969	

**CLACKAMAS COUNTY, OREGON
CENTRAL DISPATCH FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
State	\$ 1,532,597	\$ 1,532,597	\$ 1,580,693	\$ 48,096
Local	19,457	19,457	19,490	33
Total intergovernmental	1,552,054	1,552,054	1,600,183	48,129
Charges for services:				
Internal county services	2,438,529	2,438,529	2,441,879	3,350
Other	2,641,832	2,641,832	2,641,832	-
Total charges for services	5,080,361	5,080,361	5,083,711	3,350
Miscellaneous:				
Interest	5,300	5,300	14,071	8,771
Other	8,000	8,000	10,995	2,995
Total miscellaneous	13,300	13,300	25,066	11,766
TOTAL REVENUES	6,645,715	6,645,715	6,708,960	63,245
EXPENDITURES:				
Current - organizational unit:				
General government	7,224,109	7,304,109	6,683,720	620,389
Contingency	345,590	522,340	-	522,340
TOTAL EXPENDITURES	7,569,699	7,826,449	6,683,720	1,142,729
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(923,984)	(1,180,734)	25,240	1,205,974
NET CHANGE IN FUND BALANCE	(923,984)	(1,180,734)	25,240	1,205,974
FUND BALANCE, JUNE 30, 2016	1,324,468	1,581,218	1,581,218	-
FUND BALANCE, JUNE 30, 2017	\$ 400,484	\$ 400,484	1,606,458	\$ 1,205,974
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)				
Investment in capital assets			143,647	
Deferred outflows of resources			3,445,600	
Compensated absences			(270,077)	
Other post employment benefits			(721,446)	
Net pension liability			(6,300,666)	
Deferred inflows of resources			(269,711)	
NET POSITION, as of June 30, 2017			\$ (2,366,195)	

**CLACKAMAS COUNTY, OREGON
FLEET SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Internal county services	\$ 4,034,693	\$ 4,034,693	\$ 3,186,873	\$ (847,820)
Other	53,000	53,000	34,964	(18,036)
Total charges for services	4,087,693	4,087,693	3,221,837	(865,856)
Miscellaneous:				
Other	40,000	40,000	15,996	(24,004)
Total miscellaneous	40,000	40,000	15,996	(24,004)
TOTAL REVENUES	4,127,693	4,127,693	3,237,833	(889,860)
EXPENDITURES:				
Current - organizational unit:				
General government	4,620,207	4,595,207	3,381,622	1,213,585
Capital outlay	815,041	840,041	818,875	21,166
Contingency	135,448	168,674	-	168,674
TOTAL EXPENDITURES	5,570,696	5,603,922	4,200,497	1,403,425
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,443,003)	(1,476,229)	(962,664)	513,565
OTHER FINANCING SOURCES (USES):				
Transfers in	1,297,555	1,297,555	1,000,859	(296,696)
TOTAL OTHER FINANCING SOURCES (USES)	1,297,555	1,297,555	1,000,859	(296,696)
NET CHANGE IN FUND BALANCE	(145,448)	(178,674)	38,195	216,869
FUND BALANCE, JUNE 30, 2016	328,859	362,085	362,085	-
FUND BALANCE, JUNE 30, 2017	\$ 183,411	\$ 183,411	400,280	\$ 216,869
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS)				
Investment in capital assets			3,073,266	
Deferred outflows of resources			623,163	
Compensated absences			(48,229)	
Other post employment benefits			(130,497)	
Net pension liability			(1,139,523)	
Deferred inflows of resources			(48,779)	
NET POSITION, as of June 30, 2017			\$ 2,729,681	

**CLACKAMAS COUNTY, OREGON
TECHNOLOGY SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
State	\$ 35,000	\$ 35,000	\$ 84,000	\$ 49,000
Total intergovernmental	35,000	35,000	84,000	49,000
Charges for services:				
Charges for services	217,715	217,715	217,427	(288)
Internal county services	11,123,510	11,123,510	11,117,915	(5,595)
Other	320,000	320,000	427,841	107,841
Total charges for services	11,661,225	11,661,225	11,763,183	101,958
Miscellaneous:				
Reimbursements	216,676	216,676	168,427	(48,249)
Interest	-	-	20,129	20,129
Other	33,000	33,000	103,549	70,549
Total miscellaneous	249,676	249,676	292,105	42,429
TOTAL REVENUES	11,945,901	11,945,901	12,139,288	193,387
EXPENDITURES:				
Current - organizational unit:				
General government	12,695,231	13,600,937	10,913,202	2,687,735
Contingency	305,296	305,296	-	305,296
TOTAL EXPENDITURES	13,000,527	13,906,233	10,913,202	2,993,031
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,054,626)	(1,960,332)	1,226,086	3,186,418
OTHER FINANCING SOURCES (USES):				
Transfers in	35,000	73,000	73,000	-
TOTAL OTHER FINANCING SOURCES (USES)	35,000	73,000	73,000	-
NET CHANGE IN FUND BALANCE	(1,019,626)	(1,887,332)	1,299,086	3,186,418
FUND BALANCE, JUNE 30, 2016	1,176,584	2,044,290	2,044,290	-
FUND BALANCE, JUNE 30, 2017	\$ 156,958	\$ 156,958	3,343,376	\$ 3,186,418
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Investment in capital assets			1,678,067	
Deferred outflows of resources			4,327,544	
Compensated absences			(413,869)	
Other post employment benefits			(906,058)	
Net pension liability			(7,913,400)	
Deferred inflows of resources			(338,747)	
NET POSITION, as of June 30, 2017			\$ (223,087)	

PROPRIETARY FUNDS

Clackamas County Service District No. 1 (Major Fund)

Sanitary Sewer and Surface Water Funds - The Sanitary Sewer and Surface Water Funds account for all activities not accounted for by the District's other funds, primarily sewerage and surface water operations. Primary resources are monthly service charges and interest earnings.

System Development Charge Funds - The Sanitary Sewer and Surface Water System Development Charge (SDC) Funds account for capital expenditures that are related to growth or capacity increases. The primary resources are connection fees.

Construction Funds - The Sanitary Sewer and Surface Water Construction Funds account for non-SDC capital expenditures. The primary resources are transfers from other funds, interest earnings and bond proceeds.

Revenue Bond Fund - The Revenue Bond Fund accounts for redemption of revenue bonds and interest thereon. The primary resource is sewer user and surface water management monthly fees transferred from other funds.

State Revolving Loan Debt Service Fund - The State Revolving Loan Debt Service Fund accounts for payment of the Department of Environmental Quality loans. The primary revenue source is a transfer from the Sanitary Sewer Fund.

Tri-City Service District (Major Fund)

General Fund - The General Fund accounts for all activities not accounted for by the District's other funds, primarily sewer operations. The primary resources are sewerage service charges and intergovernmental revenue.

System Development Charge Fund - The System Development Charge Fund (SDC) accounts for sanitary sewer capital expenditures related to growth or increased capacity. The primary resources are connection charges.

Construction Fund - The Construction Fund accounts for non-SDC sanitary sewer capital expenditures. The primary revenue resources are transfers from the General Fund and interest earnings.

State Revolving Loan Debt Service Fund - The State Revolving Loan Debt Service Fund accounts for payment of the Department of Environmental Quality loan. The primary revenue source is a transfer from the General Fund.

Clackamas County Service District No. 5 (Non-Major) - The District constructs and operates facilities for lighting of streets and highways in a particular area of Clackamas County, Oregon.

Surface Water Management Agency of Clackamas County (Non-Major) - The Agency was formed as a service district to serve those unincorporated areas which drain into the lower Tualatin River and the Oswego Lake Basin located within the County's boundaries.

Stone Creek Golf Course Fund (Non-Major Fund) - The Stone Creek Golf Course Fund accounts for the operation of the County owned golf course.

Clackamas Broadband Utility Fund (Non-Major Fund) - The Clackamas Broadband Utility Fund accounts for the operation of fiber infrastructure created under the Broadband Technologies Opportunities Program Grant project.

**CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2017**

	Clackamas County Service District No. 5	Surface Water Management Agency of Clackamas County	Stone Creek Golf Course Fund	Clackamas Broadband Utility Fund	Total Non-Major Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,500,151	\$ 544,476	\$ 474,315	\$ -	\$ 3,518,942
Accounts receivable, net	229,586	19,589	2,015	1,585,149	1,836,339
Assessments receivable	122,629	-	-	-	122,629
Due from other funds	-	-	780	-	780
Other assets	-	1,270	298,709	-	299,979
Total current assets	<u>2,852,366</u>	<u>565,335</u>	<u>775,819</u>	<u>1,585,149</u>	<u>5,778,669</u>
Noncurrent assets:					
Capital assets:					
Capital assets not being depreciated	-	-	9,477,809	1,613,496	11,091,305
Depreciable capital assets, net of depreciation	-	65,559	2,225,868	10,657,999	12,949,426
Total noncurrent assets	-	65,559	11,703,677	12,271,495	24,040,731
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferrals	-	-	-	153,027	153,027
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,852,366</u>	<u>\$ 630,894</u>	<u>\$ 12,479,496</u>	<u>\$ 14,009,671</u>	<u>\$ 29,972,427</u>
LIABILITIES					
Current liabilities:					
Accounts and claims payable	\$ 90,324	\$ 60	\$ -	1,314,284	1,404,668
Due to other funds	30,492	2,325	-	-	32,817
Compensated absences	-	-	-	8,923	8,923
Unearned revenue	210,000	-	-	-	210,000
Total current liabilities	<u>330,816</u>	<u>2,385</u>	<u>-</u>	<u>1,323,207</u>	<u>1,656,408</u>
Noncurrent liabilities:					
Compensated absences	-	-	-	1,217	1,217
Net pension liability	-	-	-	279,827	279,827
Other postemployment benefits	-	-	-	32,086	32,086
Total noncurrent liabilities	-	-	-	313,130	313,130
DEFERRED INFLOWS OF RESOURCES					
Pension related deferrals	-	-	-	11,978	11,978
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>330,816</u>	<u>2,385</u>	<u>-</u>	<u>1,648,315</u>	<u>1,981,516</u>
NET POSITION					
Net investment in capital assets	-	65,559	11,703,677	12,271,495	24,040,731
Unrestricted	2,521,550	562,950	775,819	89,861	3,950,180
TOTAL NET POSITION	<u>\$ 2,521,550</u>	<u>\$ 628,509</u>	<u>\$ 12,479,496</u>	<u>\$ 12,361,356</u>	<u>\$ 27,990,911</u>

CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Clackamas County Service District No. 5	Surface Water Management Agency of Clackamas County	Stone Creek Golf Course Fund	Clackamas Broadband Utility Fund	Total Non-Major Enterprise Funds
OPERATING REVENUES:					
Charges for services	\$ 2,156,700	\$ 180,015	\$ 2,528,583	\$ 2,564,146	\$ 7,429,444
Other	-	16,482	780	39,703	56,965
TOTAL OPERATING REVENUES	<u>2,156,700</u>	<u>196,497</u>	<u>2,529,363</u>	<u>2,603,849</u>	<u>7,486,409</u>
OPERATING EXPENSES:					
Labor and fringe benefits	-	67,365	-	312,714	380,079
Utilities	1,566,985	501	-	-	1,567,486
Supplies	-	2,770	-	-	2,770
Professional services	-	18,193	-	-	18,193
Other operating expenses	-	45,411	2,193,776	363,928	2,603,115
Administrative expenses	255,454	-	-	-	255,454
Depreciation and amortization	-	2,267	114,858	645,094	762,219
TOTAL OPERATING EXPENSES	<u>1,822,439</u>	<u>136,507</u>	<u>2,308,634</u>	<u>1,321,736</u>	<u>5,589,316</u>
OPERATING INCOME (LOSS)	<u>334,261</u>	<u>59,990</u>	<u>220,729</u>	<u>1,282,113</u>	<u>1,897,093</u>
NONOPERATING INCOME (EXPENSE):					
Interest income	23,981	4,382	6,068	975	35,406
TOTAL NONOPERATING INCOME (EXPENSE)	<u>23,981</u>	<u>4,382</u>	<u>6,068</u>	<u>975</u>	<u>35,406</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	<u>358,242</u>	<u>64,372</u>	<u>226,797</u>	<u>1,283,088</u>	<u>1,932,499</u>
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	(300,000)	-	(300,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>
CHANGE IN NET POSITION	<u>358,242</u>	<u>64,372</u>	<u>(73,203)</u>	<u>1,283,088</u>	<u>1,632,499</u>
NET POSITION, June 30, 2016	<u>2,163,308</u>	<u>564,137</u>	<u>12,552,699</u>	<u>11,078,268</u>	<u>26,358,412</u>
NET POSITION, June 30 2017	<u>\$ 2,521,550</u>	<u>\$ 628,509</u>	<u>\$ 12,479,496</u>	<u>\$ 12,361,356</u>	<u>\$ 27,990,911</u>

CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Clackamas County Service District No. 5	Surface Water Management Agency of Clackamas County	Stone Creek Golf Course Fund	Clackamas Broadband Utility Fund	Total Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received for services	\$ -	\$ -	\$ 2,567,935	\$ 1,213,667	\$ 3,781,602
Cash received from customers	2,144,135	173,932	-	-	2,318,067
Cash paid to suppliers for goods and services	(1,561,343)	(135,554)	(2,200,370)	657,791	(3,239,476)
Cash paid to employees for services	-	-	-	(248,393)	(248,393)
Cash paid to related entities for services	(248,568)	-	-	-	(248,568)
Other operating revenue	-	16,482	-	-	16,482
NET CASH FROM OPERATING ACTIVITIES	<u>334,224</u>	<u>54,860</u>	<u>367,565</u>	<u>1,623,065</u>	<u>2,379,714</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	-	-	(154,285)	(1,878,701)	(2,032,986)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(154,285)</u>	<u>(1,878,701)</u>	<u>(2,032,986)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers to other funds	-	-	(300,000)	-	(300,000)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received on investments	23,981	4,227	6,068	975	35,251
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>358,205</u>	<u>59,087</u>	<u>(80,652)</u>	<u>(254,661)</u>	<u>81,979</u>
CASH AND CASH EQUIVALENTS, June 30, 2016	<u>2,141,946</u>	<u>485,389</u>	<u>554,967</u>	<u>254,661</u>	<u>3,436,963</u>
CASH AND CASH EQUIVALENTS, June 30, 2017	<u>\$ 2,500,151</u>	<u>\$ 544,476</u>	<u>\$ 474,315</u>	<u>\$ -</u>	<u>\$ 3,518,942</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 334,261	\$ 59,990	\$ 220,729	\$ 1,282,113	\$ 1,897,093
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation and amortization	-	2,267	114,858	645,094	762,219
Pension expense	-	-	-	61,145	61,145
Changes in assets and liabilities:					
Accounts and other receivables	(222,565)	(6,083)	38,236	(1,391,160)	(1,581,572)
Other assets	-	(159)	1,116	978	1,935
Accounts payable	5,642	(1,259)	(6,594)	1,021,719	1,019,508
Other liabilities	210,000	-	-	3,176	213,176
Due to other funds	6,886	104	(780)	-	6,210
Total adjustments	(37)	(5,130)	146,836	340,952	482,621
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 334,224</u>	<u>\$ 54,860</u>	<u>\$ 367,565</u>	<u>\$ 1,623,065</u>	<u>\$ 2,379,714</u>

**CLACKAMAS COUNTY, OREGON
SERVICE DISTRICT NO.1
SANITARY SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Monthly service charges	\$ 20,962,777	\$ 20,962,777	\$ 21,696,747	\$ 733,970
Operation payments by cities	4,583,845	4,583,845	4,676,605	92,760
Assessments collected	20,000	20,000	66,964	46,964
Sewer hookup fees	5,000	5,000	6,740	1,740
Sewer hookup contract payment	-	-	25,097	25,097
Special connection charges	135,000	135,000	285,847	150,847
Interest on investments	26,974	26,974	160,911	133,937
Miscellaneous	1,061,900	1,061,900	836,575	(225,325)
TOTAL REVENUES	26,795,496	26,795,496	27,755,486	959,990
EXPENDITURES:				
Materials and services	13,678,998	13,678,998	12,119,503	1,559,495
Contingency	2,279,833	2,279,833	-	2,279,833
TOTAL EXPENDITURES	15,958,831	15,958,831	12,119,503	3,839,328
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,836,665	10,836,665	15,635,983	4,799,318
OTHER FINANCING SOURCES (USES):				
Transfers to other funds				
Revenue Bond Fund	(6,909,237)	(6,909,237)	(106,088)	6,803,149
Sanitary sewer construction fund	(8,000,000)	(8,000,000)	(14,800,000)	(6,800,000)
TOTAL OTHER FINANCING SOURCES (USES)	(14,909,237)	(14,909,237)	(14,906,088)	3,149
NET CHANGE IN FUND BALANCE	(4,072,572)	(4,072,572)	729,895	4,802,467
FUND BALANCE, JUNE 30, 2016	4,495,622	4,495,622	6,485,106	1,989,484
FUND BALANCE, JUNE 30, 2017	\$ 423,050	\$ 423,050	7,215,001	\$ 6,791,951
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Mortgage connection receivable			179,690	
Capital assets, net			155,604,706	
Prepaid expenses			15,762	
Customer credits			(67,636)	
Bonds receivable			1,187,086	
Interest receivable			267,848	
Due to other entities			(432,070)	
Bond assessments receivable			609,280	
Contracts receivable			951,410	
Other long term liabilities			(160,800)	
Other			(69,100)	
NET POSITION - US GAAP BASIS, June 30, 2017			\$ 165,301,177	

**CLACKAMAS COUNTY, OREGON
SERVICE DISTRICT NO.1
SANITARY SEWER SYSTEM DEVELOPMENT CHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Connection charges by cities	\$ -	\$ -	\$ 88,858	\$ 88,858
Connection charges	3,795,000	3,795,000	4,282,359	487,359
Interest	77,095	77,095	140,539	63,444
TOTAL REVENUES	3,872,095	3,872,095	4,511,756	639,661
EXPENDITURES:				
Capital outlay	1,575,000	1,575,000	549,965	1,025,035
Contingency	393,750	393,750	-	393,750
TOTAL EXPENDITURES	1,968,750	1,968,750	549,965	1,418,785
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,903,345	1,903,345	3,961,791	2,058,446
NET CHANGE IN FUND BALANCE	1,903,345	1,903,345	3,961,791	2,058,446
FUND BALANCE, JUNE 30, 2016	12,849,190	12,849,190	15,214,951	2,365,761
FUND BALANCE, JUNE 30, 2017	\$ 14,752,535	\$ 14,752,535	19,176,742	\$ 4,424,207
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Interest receivable			18,011	
NET POSITION - US GAAP BASIS, June 30, 2017			\$ 19,194,753	

**CLACKAMAS COUNTY, OREGON
SERVICE DISTRICT NO.1
SANITARY SEWER CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 89,986	\$ 89,986	\$ 108,556	\$ 18,570
Miscellaneous	-	-	17,865	17,865
TOTAL REVENUES	89,986	89,986	126,421	36,435
EXPENDITURES:				
Capital outlay	10,856,400	10,856,400	3,413,115	7,443,285
Contingency	2,714,100	2,714,100	-	2,714,100
TOTAL EXPENDITURES	13,570,500	13,570,500	3,413,115	10,157,385
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,480,514)	(13,480,514)	(3,286,694)	10,193,820
OTHER FINANCING SOURCES (USES):				
Transfers from Sanitary Sewer Fund	8,000,000	8,000,000	14,800,000	6,800,000
TOTAL OTHER FINANCING SOURCES (USES)	8,000,000	8,000,000	14,800,000	6,800,000
NET CHANGE IN FUND BALANCE	(5,480,514)	(5,480,514)	11,513,306	16,993,820
FUND BALANCE, JUNE 30, 2016	14,997,667	14,997,667	15,488,968	491,301
FUND BALANCE, JUNE 30, 2017	\$ 9,517,153	\$ 9,517,153	27,002,274	\$ 17,485,121
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Interest receivable			26,471	
NET POSITION - US GAAP BASIS, June 30, 2017			\$ 27,028,745	

**CLACKAMAS COUNTY, OREGON
SERVICE DISTRICT NO.1
SURFACE WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Monthly service charges	\$ 4,327,004	\$ 4,327,004	\$ 4,353,166	\$ 26,162
Interest	33,002	33,002	49,359	16,357
Miscellaneous	225,000	225,000	247,473	22,473
TOTAL REVENUES	4,585,006	4,585,006	4,649,998	64,992
EXPENDITURES:				
Materials and services	4,149,836	4,149,836	3,419,047	730,789
Contingency	691,640	691,640	-	691,640
TOTAL EXPENDITURES	4,841,476	4,841,476	3,419,047	1,422,429
NET CHANGE IN FUND BALANCE	(256,470)	(256,470)	1,230,951	1,487,421
FUND BALANCE, JUNE 30, 2016	5,500,363	5,500,363	5,834,749	334,386
FUND BALANCE, JUNE 30, 2017	\$ 5,243,893	\$ 5,243,893	7,065,700	\$ 1,821,807
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Due from NCSA general fund			124,015	
Capital assets, net			17,135,979	
Interest receivable			6,449	
NET POSITION - US GAAP BASIS, June 30, 2017			\$ 24,332,143	

**CLACKAMAS COUNTY, OREGON
SERVICE DISTRICT NO.1
SURFACE WATER SYSTEM DEVELOPMENT CHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Connection charges	\$ 117,875	\$ 117,875	\$ 85,545	\$ (32,330)
Interest	9,882	9,882	13,628	3,746
TOTAL REVENUES	<u>127,757</u>	<u>127,757</u>	<u>99,173</u>	<u>(28,584)</u>
EXPENDITURES:				
Capital outlay	200,000	200,000	-	200,000
Contingency	50,000	50,000	-	50,000
TOTAL EXPENDITURES	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
NET CHANGE IN FUND BALANCE	<u>(122,243)</u>	<u>(122,243)</u>	<u>99,173</u>	<u>221,416</u>
FUND BALANCE, JUNE 30, 2016	<u>1,646,947</u>	<u>1,646,947</u>	<u>1,689,105</u>	<u>42,158</u>
FUND BALANCE, JUNE 30, 2017	<u>\$ 1,524,704</u>	<u>\$ 1,524,704</u>	<u>1,788,278</u>	<u>\$ 263,574</u>
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Interest receivable			1,683	
NET POSITION - US GAAP BASIS, June 30, 2017			<u>\$ 1,789,961</u>	

**CLACKAMAS COUNTY, OREGON
SERVICE DISTRICT NO.1
SURFACE WATER CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Grants	\$ 30,000	\$ 30,000	\$ 12,837	\$ (17,163)
Miscellaneous	-	-	10,886	10,886
Interest	25,298	25,298	32,632	7,334
TOTAL REVENUES	<u>55,298</u>	<u>55,298</u>	<u>56,355</u>	<u>1,057</u>
EXPENDITURES:				
Capital outlay	1,295,000	1,295,000	159,147	1,135,853
Contingency	323,750	323,750	-	323,750
TOTAL EXPENDITURES	<u>1,618,750</u>	<u>1,618,750</u>	<u>159,147</u>	<u>1,459,603</u>
NET CHANGE IN FUND BALANCE	<u>(1,563,452)</u>	<u>(1,563,452)</u>	<u>(102,792)</u>	<u>1,460,660</u>
FUND BALANCE, JUNE 30, 2016	<u>4,216,284</u>	<u>4,216,284</u>	<u>4,234,389</u>	<u>18,105</u>
FUND BALANCE, JUNE 30, 2017	<u>\$ 2,652,832</u>	<u>\$ 2,652,832</u>	<u>4,131,597</u>	<u>\$ 1,478,765</u>
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Interest receivable			3,911	
NET POSITION - US GAAP BASIS, June 30, 2017			<u>\$ 4,135,508</u>	

**CLACKAMAS COUNTY, OREGON
SERVICE DISTRICT NO.1
REVENUE BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Collection of assessment interest	\$ 15,000	\$ 15,000	\$ 20,394	\$ 5,394
Interest	49,758	49,758	123,319	73,561
TOTAL REVENUES	64,758	64,758	143,713	78,955
EXPENDITURES:				
Debt service:				
Principal	3,335,000	3,335,000	90,226,530	(86,891,530)
Interest	3,757,637	3,757,637	3,018,418	739,219
TOTAL EXPENDITURES	7,092,637	7,092,637	93,244,948	(86,152,311)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,027,879)	(7,027,879)	(93,101,235)	(86,073,356)
OTHER FINANCING SOURCES (USES):				
Bond proceeds	-	-	82,040,032	82,040,032
Bond premium	-	-	10,523,115	10,523,115
Transfer from other funds	6,909,237	6,909,237	106,088	(6,803,149)
Transfer to other funds	-	-	(6,377,468)	(6,377,468)
TOTAL OTHER FINANCING SOURCES (USES)	6,909,237	6,909,237	86,291,767	79,382,530
NET CHANGE IN FUND BALANCE	(118,642)	(118,642)	(6,809,468)	(6,690,826)
FUND BALANCE, JUNE 30, 2016	8,292,937	8,292,937	8,333,124	40,187
FUND BALANCE, JUNE 30, 2017	\$ 8,174,295	\$ 8,174,295	1,523,656	\$ (6,650,639)
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Due from NCSA B&I			(1,187,086)	
Capitalized bond issuance cost			(9,996,959)	
Long term debt			(82,654,911)	
Happy Valley lien			141,744	
Bonds payable			(3,730,000)	
Interest payable			(281,925)	
Interest receivable			1,368	
NET POSITION - US GAAP BASIS, June 30, 2017			\$ (96,184,113)	

**CLACKAMAS COUNTY, OREGON
SERVICE DISTRICT NO.1
STATE REVOLVING LOAN DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Assessments collected	\$ 245,000	\$ 245,000	\$ 706,662	\$ 461,662
Interest	125,117	125,117	190,511	65,394
Miscellaneous	-	-	82	82
TOTAL REVENUES	370,117	370,117	897,255	527,138
EXPENDITURES:				
Debt service:				
Principal	411,633	411,633	6,396,790	(5,985,157)
Interest	211,341	211,341	95,383	115,958
TOTAL EXPENDITURES	622,974	622,974	6,492,173	(5,869,199)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(252,857)	(252,857)	(5,594,918)	(5,342,061)
OTHER FINANCING SOURCES (USES):				
Transfer from Sanitary Sewer Fund	-	-	6,377,468	6,377,468
TOTAL OTHER FINANCING SOURCES (USES)	-	-	6,377,468	6,377,468
NET CHANGE IN FUND BALANCE	(252,857)	(252,857)	782,550	1,035,407
FUND BALANCE, JUNE 30, 2016	4,186,099	4,186,099	4,346,409	160,310
FUND BALANCE, JUNE 30, 2017	\$ 3,933,242	\$ 3,933,242	5,128,959	\$ 1,195,717
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Bonds payable			(1,646,239)	
Interest receivable			416,065	
Bond assessment receivable			3,654,698	
NET POSITION - US GAAP BASIS, June 30, 2017			\$ 7,553,483	

CLACKAMAS COUNTY, OREGON
SERVICE DISTRICT NO.1
RECONCILIATION OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

Budgetary Basis	Actual
Revenues	\$ 145,709,392
Expenditures	<u>134,303,986</u>
Net change in fund balance	<u>11,405,406</u>
Add (deduct) items to reconcile to change in net position on an enterprise fund reporting basis:	
Expenditures capitalized	7,116,728
Depreciation and amortization expense	(17,960,982)
Loss on disposal of assets	(133,219)
Receivables	(801,568)
Other liabilities	(43,965)
Interest expense	94,101
Payment of bond principal	<u>1,109,721</u>
Change in net position, June 30, 2017	<u><u>\$ 786,222</u></u>

CLACKAMAS COUNTY, OREGON
TRI-CITY SERVICE DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Sewer user charges	\$ 8,346,705	\$ 8,346,705	\$ 8,195,657	\$ (151,048)
Interest	19,148	19,148	37,933	18,785
Pump station operation charges	5,500	5,500	1,049	(4,451)
Intergovernmental revenue	350,000	350,000	354,963	4,963
Miscellaneous	<u>244,600</u>	<u>2,927,728</u>	<u>287,091</u>	<u>(2,640,637)</u>
TOTAL REVENUES	<u>8,965,953</u>	<u>11,649,081</u>	<u>8,876,693</u>	<u>(2,772,388)</u>
EXPENDITURES:				
Materials and services	7,649,946	7,649,946	6,445,135	1,204,811
Special payments	-	5,732,424	-	5,732,424
Contingency	<u>1,274,991</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>8,924,937</u>	<u>13,382,370</u>	<u>6,445,135</u>	<u>6,937,235</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>41,016</u>	<u>(1,733,289)</u>	<u>2,431,558</u>	<u>4,164,847</u>
OTHER FINANCING SOURCES (USES):				
Transfer to Sanitary Sewer Construction Fund	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(2,458,984)</u>	<u>(4,233,289)</u>	<u>(68,442)</u>	<u>4,164,847</u>
FUND BALANCE, JUNE 30, 2016	<u>3,191,408</u>	<u>4,233,289</u>	<u>4,233,289</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2017	<u><u>\$ 732,424</u></u>	<u><u>\$ -</u></u>	<u>4,164,847</u>	<u><u>\$ 4,164,847</u></u>
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Capital assets, net			35,455,698	
Interest receivable			<u>3,165</u>	
NET POSITION - US GAAP BASIS, June 30, 2017			<u><u>\$ 39,623,710</u></u>	

CLACKAMAS COUNTY, OREGON
 TRI-CITY SERVICE DISTRICT
 SYSTEM DEVELOPMENT CHARGE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Connection charges	\$ 720,000	\$ 720,000	\$ 976,273	\$ 256,273
Miscellaneous income	-	1,526,802	-	(1,526,802)
Interest	11,511	11,511	18,827	7,316
TOTAL REVENUES	731,511	2,258,313	995,100	(1,263,213)
EXPENDITURES:				
Capital outlay	925,000	925,000	392,567	532,433
Special payments	-	3,500,000	-	3,500,000
Contingency	231,250	-	-	-
TOTAL EXPENDITURES	1,156,250	4,425,000	392,567	4,032,433
NET CHANGE IN FUND BALANCE	(424,739)	(2,166,687)	602,533	2,769,220
FUND BALANCE, JUNE 30, 2016	1,918,506	2,166,687	2,166,687	-
FUND BALANCE, JUNE 30, 2017	\$ 1,493,767	\$ -	2,769,220	\$ 2,769,220
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Interest receivable			2,124	
NET POSITION - US GAAP BASIS, June 30, 2017			\$ 2,771,344	

CLACKAMAS COUNTY, OREGON
 TRI-CITY SERVICE DISTRICT
 CONSTRUCTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 35,172	\$ 35,172	\$ 43,962	\$ 8,790
Miscellaneous revenue	-	2,620,070	33,446	(2,586,624)
TOTAL REVENUES	35,172	2,655,242	77,408	(2,577,834)
EXPENDITURES:				
Capital outlay	2,184,100	2,184,100	438,513	1,745,587
Speical payments	-	9,000,000	-	9,000,000
Contingency	546,025	-	-	-
TOTAL EXPENDITURES	2,730,125	11,184,100	438,513	10,745,587
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,694,953)	(8,528,858)	(361,105)	8,167,753
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	2,500,000	2,500,000	2,500,000	-
TOTAL OTHER FINANCING SOURCES (USES)	2,500,000	2,500,000	2,500,000	-
NET CHANGE IN FUND BALANCE	(194,953)	(6,028,858)	2,138,895	8,167,753
FUND BALANCE, JUNE 30, 2016	5,861,941	6,028,858	6,028,858	-
FUND BALANCE, JUNE 30, 2017	\$ 5,666,988	\$ -	8,167,753	\$ 8,167,753
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Interest receivable			7,791	
NET POSITION - US GAAP BASIS, June 30, 2017			\$ 8,175,544	

CLACKAMAS COUNTY, OREGON
 TRI-CITY SERVICE DISTRICT
 STATE REVOLVING LOAN DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 3	\$ 3	\$ 4	\$ 1
Miscellaneous revenue	-	500	-	(500)
TOTAL REVENUES	<u>3</u>	<u>503</u>	<u>4</u>	<u>(499)</u>
EXPENDITURES:				
Special payments	-	1,008	-	1,008
TOTAL EXPENDITURES	<u>-</u>	<u>1,008</u>	<u>-</u>	<u>1,008</u>
NET CHANGE IN FUND BALANCE	3	(505)	4	509
FUND BALANCE, JUNE 30, 2016	<u>505</u>	<u>505</u>	<u>537</u>	<u>32</u>
FUND BALANCE, JUNE 30, 2017	<u>\$ 508</u>	<u>\$ -</u>	<u>541</u>	<u>\$ 541</u>
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Interest receivable			<u>1</u>	
NET POSITION - US GAAP BASIS, June 30, 2017			<u>\$ 542</u>	

CLACKAMAS COUNTY, OREGON
 TRI-CITY SERVICE DISTRICT
 RECONCILIATION OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TO CHANGE IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2017

	Actual
Budgetary Basis	
Revenues	\$ 12,449,205
Expenditures	<u>9,776,215</u>
Net change in fund balance	<u>2,672,990</u>
Add (deduct) items to reconcile to change in net position on an enterprise fund reporting basis:	
Depreciation and amortization expense	(2,581,826)
Expenditures capitalized	1,013,679
Loss on disposal of assets	(3,103)
Receivables	<u>4,305</u>
Change in net position, June 30, 2017	<u>\$ 1,106,045</u>

**CLACKAMAS COUNTY, OREGON
CLACKAMAS COUNTY SERVICE DISTRICT NO. 5 FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Street lighting assessments	\$ 2,170,518	\$ 2,170,518	\$ 2,151,642	\$ (18,876)
Interest	5,468	5,468	23,981	18,513
TOTAL REVENUES	2,175,986	2,175,986	2,175,623	(363)
EXPENDITURES:				
Materials and services	3,062,381	3,062,381	1,822,439	1,239,942
Contingency	463,747	463,747	-	463,747
TOTAL EXPENDITURES	3,526,128	3,526,128	1,822,439	1,703,689
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND NET CHANGE IN FUND BALANCE	(1,350,142)	(1,350,142)	353,184	1,703,326
NET CHANGE IN FUND BALANCE	(1,350,142)	(1,350,142)	353,184	1,703,326
FUND BALANCE, JUNE 30, 2016	2,023,869	2,023,869	2,045,737	21,868
FUND BALANCE, JUNE 30, 2017	\$ 673,727	\$ 673,727	2,398,921	\$ 1,725,194
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Street lighting assessments receivable			122,629	
NET POSITION, as of June 30, 2017			\$ 2,521,550	

**CLACKAMAS COUNTY, OREGON
CLACKAMAS COUNTY SURFACE WATER MANAGEMENT
AGENCY OF CLACKAMAS COUNTY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Surface water management charges	\$ 173,952	\$ 173,952	\$ 180,015	\$ 6,063
Interest	2,870	2,870	4,227	1,357
Miscellaneous	15,000	180,189	16,482	(163,707)
TOTAL REVENUES	191,822	357,011	200,724	(156,287)
EXPENDITURES:				
Materials and services	202,960	202,960	134,240	68,720
Special payments	-	650,000	-	650,000
Contingency	20,296	-	-	-
TOTAL EXPENDITURES	223,256	852,960	134,240	718,720
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND NET CHANGE IN FUND BALANCE	(31,434)	(495,949)	66,484	562,433
FUND BALANCE, JUNE 30, 2016	478,401	495,949	495,949	-
FUND BALANCE, JUNE 30, 2017	\$ 446,967	\$ -	562,433	\$ 562,433
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Capital assets net of accumulated depreciation			65,559	
Interest receivable			517	
NET POSITION, as of June 30, 2017			\$ 628,509	

**CLACKAMAS COUNTY, OREGON
STONE CREEK GOLF COURSE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Charges for services	\$ 2,716,585	\$ 2,716,585	\$ 2,528,583	\$ (188,002)
Total charges for services	2,716,585	2,716,585	2,528,583	(188,002)
Miscellaneous:				
Other	-	-	780	780
Interest	2,500	2,500	6,068	3,568
Total miscellaneous	2,500	2,500	6,848	4,348
TOTAL REVENUES	2,719,085	2,719,085	2,535,431	(183,654)
EXPENDITURES:				
Current - organizational unit:				
General government				
Materials and services	2,224,589	2,274,589	2,185,137	89,452
Capital outlay	97,000	187,000	162,924	24,076
Contingency	309,944	345,945	-	345,945
TOTAL EXPENDITURES	2,631,533	2,807,534	2,348,061	459,473
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	87,552	(88,449)	187,370	275,819
OTHER FINANCING SOURCES (USES):				
Transfers out	(400,000)	(400,000)	(300,000)	100,000
TOTAL OTHER FINANCING SOURCES (USES)	(400,000)	(400,000)	(300,000)	100,000
NET CHANGE IN FUND BALANCE	(312,448)	(488,449)	(112,630)	375,819
FUND BALANCE, JUNE 30, 2016	712,448	888,449	888,449	-
FUND BALANCE, JUNE 30, 2017	\$ 400,000	\$ 400,000	775,819	\$ 375,819
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Investment in capital assets			11,703,677	
NET POSITION, as of June 30, 2017			\$ 12,479,496	

**CLACKAMAS COUNTY, OREGON
CLACKAMAS BROADBAND UTILITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Charges for services	\$ -	\$ 2,550,000	\$ 2,415,335	\$ (134,665)
Internal county services	-	-	148,811	148,811
Total charges for services	-	2,550,000	2,564,146	14,146
Licenses and permits:				
Licenses and permits	22,000	22,000	26,872	4,872
Total licenses and permits	22,000	22,000	26,872	4,872
Miscellaneous:				
Other	670,000	670,000	-	(670,000)
Reimbursements	-	-	12,831	12,831
Interest	200	200	975	775
Total miscellaneous	670,200	670,200	13,806	(656,394)
TOTAL REVENUES	692,200	3,242,200	2,604,824	(637,376)
EXPENDITURES:				
Current - organizational unit:				
General government	637,928	637,928	455,931	181,997
Capital outlay	186,272	2,726,971	1,991,616	735,355
Special payments	22,000	22,000	31,106	(9,106)
TOTAL EXPENDITURES	846,200	3,386,899	2,478,653	908,246
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(154,000)	(144,699)	126,171	270,870
NET CHANGE IN FUND BALANCE	(154,000)	(144,699)	126,171	270,870
FUND BALANCE, JUNE 30, 2016	154,000	144,699	144,694	-
FUND BALANCE, JUNE 30, 2017	\$ -	\$ -	270,865	\$ 270,870
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):				
Investment in capital assets			12,271,495	
Deferred outflows of resources			153,027	
Compensated absences			(10,140)	
Other post employment benefits			(32,086)	
Net pension liability			(279,827)	
Deferred inflows of resources			(11,978)	
NET POSITION, as of June 30, 2017			\$ 12,361,356	

CLACKAMAS COUNTY, OREGON
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITY
 FOR THE YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions (Reductions)	Balance June 30, 2017
AGENCY FUND			
ASSETS:			
Cash and cash equivalents	\$ 11,058,057	\$ (1,104,460)	\$ 9,953,597
Property taxes receivable	32,297,396	1,319,879	33,617,275
TOTAL ASSETS	\$ 43,355,453	\$ 215,419	\$ 43,570,872
LIABILITY:			
Amounts held in trust	\$ 43,355,453	\$ 215,419	\$ 43,570,872

AGENCY FUND

CLACKAMAS COUNTY, OREGON
 ASSESSOR-TAX DEPARTMENT
 SCHEDULE OF CASH RECEIPTS AND TURNSOVERS
 FOR THE YEAR ENDED JUNE 30, 2017

Cash on hand, June 30, 2016	<u>\$ 1,000</u>
Receipts*	
Miscellaneous	110,559
Oregon DCBS fees	<u>12,000</u>
Total receipts and cash on hand	122,559
Turnovers to County Treasurer	<u>(122,559)</u>
Cash on hand, June 30, 2017	<u>\$ 1,000</u>

* Departmental cash receipts include agency fund collections which are not recognized as revenue of County operating funds.

OTHER FINANCIAL SCHEDULES

Other financial schedules include the County's cash receipts and turnovers by the various elected officials and property tax transactions.

**CLACKAMAS COUNTY, OREGON
COUNTY CLERK
SCHEDULE OF CASH RECEIPTS AND TURNSOVERS
FOR THE YEAR ENDED JUNE 30, 2017**

Cash on hand, June 30, 2016	<u>\$ 560</u>
Receipts*	
Family Violence	60,375
Assessment/Tax State	773,460
OLIS Fees	85,940
Housing Alliance	1,571,935
Recording Fees	2,777,338
County Clerk Lien	49,860
OLCC	15,300
NSF Fund	(8)
Overpayment Clerk Recording	350
Overpayment OLCC	25
Survey Collection Fee	1,875
Family Court Services	24,150
Land Corner	700,359
GIS	<u>408,215</u>
Total receipts	<u>6,727,011</u>
Total receipts and cash on hand	6,727,571
Turnovers to County Treasurer	<u>(6,727,011)</u>
Cash on hand, June 30, 2017	<u>\$ 560</u>

* Departmental cash receipts include agency fund collections which are not recognized as revenue of County operating funds.

**CLACKAMAS COUNTY, OREGON
SHERIFF - CIVIL AND CRIMINAL
SCHEDULE OF CASH RECEIPTS AND TURNSOVERS
FOR THE YEAR ENDED JUNE 30, 2017**

Cash on hand, June 30, 2016	<u>\$ 50</u>
Receipts*	
Sheriff's Fees:	
Concealed Handgun Permits	499,896
ATF Application Fees	385
Convience Fees	24,536
Refund	(485)
NSF Check Replacement	<u>295</u>
Total receipts	<u>524,627</u>
Total receipts and cash on hand	<u>524,677</u>
Turnovers to County Treasurer	<u>(524,627)</u>
Cash on hand, June 30, 2017	<u>\$ 50</u>

* Departmental cash receipts include agency fund collections which are not recognized as revenue of County operating funds.

**CLACKAMAS COUNTY, OREGON
ASSESSOR-TAX COLLECTOR
SCHEDULE OF CASH RECEIPTS AND TURNOVERS
FOR THE YEAR ENDED JUNE 30, 2017**

Cash on hand, June 30, 2016	<u>\$ 800</u>
Receipts*	
Property taxes applied to property tax rolls	738,610,612
Interest received on taxes	<u>2,370,959</u>
Total receipts and cash on hand	740,982,371
Turnovers to County Treasurer	<u>(740,981,571)</u>
Cash on hand, June 30, 2017	<u>\$ 800</u>

* Departmental cash receipts include agency fund collections which are not recognized as revenue of County operating funds.

**CLACKAMAS COUNTY, OREGON
TREASURER
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Cash on hand, June 30, 2016	17,583,014
Cash	302,223,362
Investments	<u>319,806,376</u>
Total cash and investments	<u>\$ 319,806,376</u>
Receipts:	
Taxes collected *	738,610,612
Other collections **	<u>2,952,985,054</u>
Total receipts	<u>3,691,595,666</u>
Disbursements:	
Taxes distributed to taxing districts	740,116,145
Other distributions **	<u>2,858,472,939</u>
Total distributions	<u>3,598,589,084</u>
Cash on hand, June 30, 2017	
Cash	315,497,437
Investments	<u>97,315,521</u>
Total cash and investments	<u>\$ 412,812,958</u>

* Includes collections for timber, yield and other taxes which are not part of the tax roll

** Includes primarily receipts and disbursements of non-County agency funds

**SCHEDULE OF PROPERTY TAX TRANSACTIONS
AND OUTSTANDING BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

Fiscal Year	Receivable June 30, 2016	Levy	Discounts	Interest	Adjustments	Collections	Receivable June 30, 2017
2016-17	\$ -	\$ 762,041,817	\$ (19,749,307)	\$ 292,761	\$ (1,453,054)	\$ (726,576,729)	\$ 14,555,488
2015-16	15,881,818	-	4,387	559,048	(191,455)	(7,809,569)	8,444,230
2014-15	8,486,886	-	1,918	483,243	(76,750)	(2,976,745)	5,918,551
2013-14	5,617,704	-	1,488	522,944	(99,733)	(2,198,182)	3,844,221
2012-13	3,619,498	-	16	258,215	(10,598)	(961,192)	2,905,939
2011-12	2,741,975	-	17	54,653	(9,847)	(159,631)	2,627,167
and prior	5,123,923	-	4,062	200,095	(168,684)	(299,522)	4,859,874
	<u>41,471,804</u>	<u>-</u>	<u>11,889</u>	<u>2,078,198</u>	<u>(557,067)</u>	<u>(14,404,842)</u>	<u>28,599,983</u>
	<u>\$ 41,471,804</u>	<u>\$ 762,041,817</u>	<u>\$ (19,737,418)</u>	<u>\$ 2,370,959</u>	<u>\$ (2,010,121)</u>	<u>\$ (740,981,571)</u>	<u>\$ 43,155,471</u>

Taxes receivable classified by fund:

Governmental Funds:	
General Fund	\$ 6,841,985
Special Revenue Funds:	
North Clackamas Parks and Recreation District Fund	402,517
Clackamas County Extension and 4-H Service District Fund	126,763
Clackamas County Enhanced Law Enforcement District Fund	394,707
Public Safety Local Option Levy Fund	636,655
Library District of Clackamas County Fund	1,003,163
Debt Service Funds:	
North Clackamas Revitalization Tax Increment Fund	<u>132,406</u>
Total governmental funds	<u>9,538,196</u>
Agency Fund	<u>33,617,275</u>
Total taxes receivable	<u>\$ 43,155,471</u>

STATISTICAL SECTION

STATISTICAL INFORMATION SECTION
(UNAUDITED)

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

- **Financial Trends** - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.
- **Revenue Capacity** - These schedules contain information to help the reader assess the County's most significant local revenue source.
- **Debt Capacity** - These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.
- **Economic and Demographic Information** - These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.
- **Operating Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

FINANCIAL TRENDS

**CLACKAMAS COUNTY, OREGON
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	Fiscal Year				Fiscal Year					
	2008	2009	2010	2011	(Restated) 2012	2013	(Restated) (2) 2014	2015	2016	2017
Governmental activities:										
Net investment in capital assets	\$ 608,482,281	\$ 659,772,975	\$ 649,766,443	\$ 687,574,117	\$ 651,389,309	\$ 657,261,448	\$ 657,008,010	\$ 652,320,020	\$ 653,007,769	\$ 664,859,863
Restricted:										
Culture, education and recreation	276,177	597,898	414,596	3,210,579	7,242,328	15,238,934	12,604,325	18,882,565	26,051,737	30,120,533
Debt service	24,194,094	11,409,316	3,200,924	32,999,312	33,914,703	38,066,247	38,195,278	32,045,808	32,248,038	30,095,874
Economic development	-	-	-	870,117	265,851	1,642,318	2,019,091	2,307,685	19,133,253	4,765,853
Health and human services	-	-	-	18,800,268	12,784,653	16,407,911	13,482,303	18,516,156	18,075,364	21,343,150
Public protection	-	-	-	5,391,316	3,713,655	2,713,552	2,001,991	1,521,359	2,082,867	13,841,302
Public ways and facilities	-	-	-	40,772,538	37,565,470	27,100,151	12,964,950	14,969,086	21,310,775	17,167,003
Total restricted	24,470,271	12,007,214	3,615,520	102,044,130	95,486,660	101,169,113	81,267,938	88,242,659	118,902,034	117,333,715
Unrestricted	156,786,010	143,761,955	180,497,371	47,406,149	62,203,059	46,877,525	(22,507,341)	45,446,836	(58,950,859)	(67,730,768)
Total governmental activities net position	789,738,562	815,542,144	833,879,334	837,024,396	809,079,028	805,308,086	715,768,607	786,009,515	712,958,944	714,462,810
Business-type activities:										
Net investment in capital assets	\$ 170,268,221	\$ 184,085,331	\$ 181,466,748	\$ 194,372,885	\$ 176,056,157	\$ 175,741,747	\$ 180,235,601	\$ 170,464,625	\$ 158,994,548	\$ 142,334,613
Restricted for capital projects	-	-	-	-	5,099,093	9,736,073	13,644,235	16,333,279	21,423,981	25,858,401
Restricted for debt service	4,572,482	6,822,250	10,298,042	12,150,365	7,498,061	1,838,434	3,751,077	4,623,957	4,855,529	6,385,297
Unrestricted	43,599,401	29,407,923	35,031,195	26,866,842	41,446,186	62,483,155	62,624,786	66,324,152	71,617,749	84,957,137
Total business-type activities net position	218,440,104	220,315,504	226,795,985	233,390,092	230,099,497	249,799,409	260,255,699	257,746,013	256,891,807	259,535,448
Primary government:										
Net investment in capital assets	778,750,502	843,858,306	831,233,191	881,947,002	827,445,466	833,003,195	837,243,611	822,784,645	812,002,317	807,194,476
Restricted:										
Capital projects	-	-	-	-	\$ 5,099,093	\$ 9,736,073	\$ 13,644,235	\$ 16,333,279	\$ 21,423,981	\$ 25,858,401
Culture, education and recreation	276,177	597,898	414,596	3,210,579	7,242,328	15,238,934	12,604,325	18,882,565	32,444,695	30,120,533
Debt service	28,766,576	18,231,566	13,498,966	45,143,677	41,412,764	39,904,681	41,946,355	36,669,765	37,103,567	36,481,171
Economic development	-	-	-	870,117	265,851	1,642,318	2,019,091	2,307,685	2,554,684	4,765,853
Health and human services	-	-	-	18,958,246	8,561,458	16,407,911	13,482,303	18,516,156	19,714,459	21,343,150
Public protection	-	-	-	5,391,316	3,713,655	2,713,552	2,001,991	1,521,359	1,656,092	13,841,302
Public ways and facilities	-	-	-	40,772,538	37,565,470	27,100,151	12,964,950	14,969,086	21,515,735	17,167,003
Total restricted	29,042,753	18,829,464	13,913,562	114,352,473	103,860,619	112,743,620	98,663,250	109,199,895	136,413,213	149,577,413
Unrestricted	200,385,411	173,169,878	215,528,566	74,272,991	103,649,245	109,360,680	40,117,445	111,770,988	21,435,221	17,226,369
Total primary government net position	\$ 1,008,178,666	\$ 1,035,857,648	\$ 1,060,675,319	\$ 1,070,572,466	\$ 1,034,955,330	\$ 1,055,107,495	\$ 976,024,306	\$ 1,043,755,528	\$ 969,850,751	\$ 973,998,258

Note:
(1) Restricted net position changed considerably in 2011 with the implementation of GASB 54.
These assets are reported as restricted in the governmental fund financials and in the Statement of Net Position
(2) Ending net position restated to implement GASB Statement No. 68

**CLACKAMAS COUNTY, OREGON
CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	Fiscal Year				Fiscal Year						
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Expenses:											
Governmental activities:											
General government	\$ 40,152,015	\$ 39,437,471	\$ 30,792,322	\$ 29,841,086	\$ 34,656,701	\$ 35,501,324	\$ 28,471,546	\$ 39,290,154	\$ 72,246,141	\$ 45,758,369	
Public protection	88,172,022	90,072,845	95,813,535	102,841,008	105,047,895	106,157,070	111,508,421	96,094,259	155,575,864	132,468,019	
Public ways and facilities	40,228,623	42,676,670	38,637,140	47,527,645	78,733,877	70,988,614	70,903,153	36,815,783	51,744,912	46,463,462	
Health and human services	62,921,860	66,267,791	63,100,622	69,900,694	78,481,825	112,216,170	114,810,477	83,081,955	148,051,688	122,808,653	
Culture, education and recreation	18,781,560	21,285,307	36,080,618	32,027,317	32,242,487	35,246,149	35,046,170	31,076,823	43,859,482	42,295,850	
Economic development	15,494,522	21,453,399	19,953,064	23,226,832	14,272,764	12,154,274	10,699,874	12,253,751	14,670,960	13,678,623	
Interest and fiscal charges	6,198,736	5,538,161	6,508,874	6,138,140	6,291,662	5,121,341	5,494,270	5,133,486	4,594,963	3,993,608	
Total governmental activities expenses	\$ 271,949,338	\$ 286,731,644	\$ 291,866,176	\$ 311,502,722	\$ 349,727,201	\$ 377,384,942	\$ 376,923,911	\$ 313,746,211	\$ 480,744,010	\$ 407,466,584	
Business-type activities:											
Sanitary sewer and surface water	\$ 24,773,913	\$ 27,643,961	\$ 26,750,566	\$ 30,721,215	\$ 39,534,958	\$ 42,517,046	\$ 46,377,470	\$ 45,229,096	\$ 46,709,181	\$ 48,609,032	
Housing assistance	18,504,232	18,814,352	19,519,879	20,756,649	19,869,594	20,741,734	19,458,963	17,701,821	22,873,105	22,340,805	
Golf	2,321,301	2,412,046	2,409,546	2,184,935	2,287,792	2,412,568	2,659,279	2,232,649	2,297,726	2,308,634	
Lighting	1,676,281	1,787,553	1,822,051	1,906,006	1,910,166	1,913,372	1,962,070	1,984,250	1,861,661	1,822,439	
Broadband utility	-	-	-	-	-	-	429,191	939,704	1,106,767	1,321,736	
Total business-type activities expenses	\$ 47,275,727	\$ 50,657,912	\$ 50,502,042	\$ 55,568,805	\$ 63,582,510	\$ 67,584,720	\$ 70,886,973	\$ 68,087,520	\$ 74,848,440	\$ 76,402,746	
Total primary government expenses	\$ 319,225,065	\$ 337,389,556	\$ 342,368,217	\$ 367,071,527	\$ 413,309,711	\$ 444,969,662	\$ 447,810,884	\$ 381,833,731	\$ 565,592,450	\$ 483,869,330	
Program Revenues:											
Governmental activities:											
Fees, fines and charges for services:											
General government	\$ 11,945,557	\$ 13,781,168	\$ 9,576,700	\$ 9,868,437	\$ 10,708,665	\$ 12,487,891	\$ 11,772,830	\$ 13,159,687	\$ 15,652,785	\$ 16,100,793	
Public protection	4,171,464	2,389,926	3,289,355	6,693,013	6,749,184	7,818,692	7,652,750	8,257,613	7,678,236	7,974,111	
Public ways and facilities	6,894,044	2,689,321	3,026,370	2,197,316	6,995,565	5,712,890	6,715,879	8,632,545	9,556,419	5,309,654	
Health and human services	8,167,104	6,234,479	6,368,148	6,801,013	5,740,178	18,604,446	22,867,690	26,963,221	27,454,973	29,397,783	
Culture and recreation	5,552,995	4,935,674	6,085,262	5,650,912	6,651,143	6,767,172	6,857,738	7,639,461	6,889,248	2,676,240	
Economic development	618,525	999,833	565,113	247,154	487,422	421,721	676,197	421,954	9,640,315	2,124,240	
Operating grants and contributions	112,138,677	110,471,203	109,951,385	129,875,034	121,105,130	147,040,719	150,923,086	154,980,697	159,505,203	156,436,827	
Capital grants and contributions	31,966,004	32,631,510	29,125,090	7,197,147	9,605,942	19,437,607	8,466,013	8,559,906	14,388,997	13,198,149	
Total governmental activities program revenues	\$ 181,454,370	\$ 174,133,114	\$ 167,987,423	\$ 168,529,426	\$ 168,023,229	\$ 218,291,138	\$ 215,932,183	\$ 228,615,084	\$ 247,566,176	\$ 233,417,797	
Business-type activities:											
Fees, fines and charges for services:											
Sanitary sewer and surface water	\$ 20,495,448	\$ 22,141,681	\$ 26,110,532	\$ 26,619,292	\$ 27,579,725	\$ 25,953,699	\$ 27,714,004	\$ 30,187,315	\$ 38,252,807	\$ 34,357,948	
Housing assistance	14,489,369	14,491,172	15,386,386	3,851,284	3,908,792	15,436,314	14,097,282	13,729,211	16,177,519	16,839,020	
Golf	2,801,556	2,779,987	2,634,586	2,589,337	2,648,174	2,805,603	2,737,004	2,754,443	2,731,835	2,528,583	
Lighting	1,722,537	1,672,749	1,612,122	1,825,815	1,774,918	1,865,553	1,796,024	1,926,540	2,039,594	2,156,700	
Broadband utility	-	-	-	-	-	-	83,954	696,199	1,351,808	2,564,146	
Operating grants and contributions	3,006,230	2,573,136	3,123,527	19,914,975	14,655,884	6,961,352	6,860,517	7,213,832	2,611,670	7,469,821	
Capital grants and contribution	9,827,894	5,922,432	5,920,910	6,026,412	7,177,585	14,291,374	7,043,381	5,643,454	9,304,015	9,455,465	
Total business-type activities program revenues	\$ 52,343,034	\$ 49,581,157	\$ 54,798,063	\$ 60,827,115	\$ 57,745,078	\$ 67,313,895	\$ 60,332,166	\$ 62,149,994	\$ 72,469,248	\$ 75,371,483	
Total primary government program revenues	\$ 233,797,404	\$ 223,714,271	\$ 222,785,486	\$ 229,356,541	\$ 225,768,307	\$ 285,605,033	\$ 276,264,349	\$ 290,765,078	\$ 320,035,424	\$ 308,789,280	
Net (Expense)/Revenue:											
Governmental activities	(90,494,968)	(112,598,530)	(123,898,752)	(142,973,296)	(181,703,972)	(159,093,804)	(160,991,728)	(85,131,127)	(243,177,834)	(174,048,787)	
Business-type activities	5,067,307	(1,076,755)	4,296,021	5,258,310	(5,837,432)	(270,825)	(10,554,807)	(5,837,526)	(2,370,192)	(1,031,263)	
Total primary government net expense	\$ (85,427,661)	\$ (113,675,285)	\$ (119,602,731)	\$ (137,714,986)	\$ (187,541,404)	\$ (159,364,629)	\$ (171,546,535)	\$ (91,068,653)	\$ (245,557,026)	\$ (175,080,050)	

CLACKAMAS COUNTY, OREGON
 CHANGES IN NET POSITION BY COMPONENT (Continued)
 LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)

	Fiscal Year			
	2008	2009	2010	2011
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 81,960,906	\$ 86,209,854	\$ 91,474,314	\$ 91,648,852
Public safety services	12,507,284	12,990,053	8,587,078	13,827,366
Parks and recreation operations	4,645,560	4,914,473	5,076,968	5,168,112
Education outreach services	-	-	-	1,722,033
Redevelopment districts, debt service	9,801,576	11,493,853	19,770,673	13,508,355
Library debt service	114,941	120,112	12,441,775	13,144,675
Transient Lodging Taxes	4,951,117	4,849,472	4,393,971	2,683,197
Gain on disposal of assets	1,887,760	264,644	2,744,206	562,325
Earnings on investments	10,043,884	4,448,353	1,964,976	1,174,272
Miscellaneous	3,776,380	1,389,387	1,942,724	2,679,171
Transfers	207,317	-	239,042	-
Total governmental activities	<u>\$ 129,896,725</u>	<u>\$ 126,680,201</u>	<u>\$ 148,635,727</u>	<u>\$ 146,118,358</u>
Business-type activities:				
Earnings on investments	\$ 2,524,996	\$ 1,308,965	\$ 819,767	\$ 509,879
Gain (loss) on disposal of assets	-	-	-	-
Miscellaneous	1,548,189	1,343,190	1,603,735	825,818
Transfers	(207,317)	-	(239,042)	-
Total business-type activities	<u>\$ 3,865,868</u>	<u>\$ 2,652,155</u>	<u>\$ 2,184,460</u>	<u>\$ 1,335,797</u>
Total primary government	<u>\$ 133,762,593</u>	<u>\$ 129,332,356</u>	<u>\$ 150,820,187</u>	<u>\$ 147,454,155</u>
Change in Net Position:				
Governmental activities	39,401,757	14,081,671	24,736,975	3,145,062
Business-type activities	8,933,175	1,575,400	6,480,481	6,594,107
Total primary government	<u>\$ 48,334,932</u>	<u>\$ 15,657,071</u>	<u>\$ 31,217,456</u>	<u>\$ 9,739,169</u>

CLACKAMAS COUNTY, OREGON
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund					
Reserved for interfund loans	\$ 147,198	\$ 112,870	\$ -	\$ -	\$ -
Unreserved	17,834,993	13,984,412	21,201,273	-	-
Nonspendable	-	-	-	-	767
Restricted	-	-	-	157,978	-
Unassigned	-	-	-	23,206,107	23,320,491
Total General Fund	<u>\$ 17,982,191</u>	<u>\$ 14,097,282</u>	<u>\$ 21,201,273</u>	<u>\$ 23,364,085</u>	<u>\$ 23,321,258</u>
All Other Governmental Funds					
Reserved	\$ 14,091,622	\$ 13,766,206	\$ 13,681,040	\$ -	\$ -
Special revenue funds:					
Unreserved	69,392,311	45,587,544	53,393,539	-	-
Nonspendable	-	-	-	113,090	1,032,786
Restricted	-	-	-	40,057,446	30,253,631
Committed	-	-	-	4,189,868	3,136,267
Assigned	-	-	-	18,937,549	17,702,485
Unassigned	-	-	-	(1,316,252)	(404,651)
Capital project funds:					
Unreserved	27,907,257	17,241,293	50,215,762	-	-
Nonspendable	-	-	-	10,613,143	10,820,101
Restricted	-	-	-	28,971,806	25,330,300
Assigned	-	-	-	7,513,831	12,854,605
Debt service funds:					
Unreserved	37,019,036	36,427,539	30,678,868	-	-
Nonspendable	-	-	-	252,278	-
Restricted	-	-	-	32,999,312	35,679,534
Assigned	-	-	-	393,801	-
Unassigned	-	-	-	-	(1,540)
Total all other governmental funds	<u>\$ 148,410,226</u>	<u>\$ 113,022,582</u>	<u>\$ 147,969,209</u>	<u>\$ 142,725,872</u>	<u>\$ 136,403,518</u>

Notes:

(1) Fund balance classifications changed considerably in 2011 with the implementation of GASB 54.

CLACKAMAS COUNTY, OREGON
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Fiscal Year				
2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -
3,180	31,005	50,801	1,258,349	100,236
-	-	-	-	66,165,794
32,903,840	36,469,289	41,652,717	31,310,939	34,464,712
<u>\$ 32,907,020</u>	<u>\$ 36,500,294</u>	<u>\$ 41,703,518</u>	<u>\$ 32,569,288</u>	<u>\$ 100,730,742</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
3,739,261	49,626,404	3,874,886	3,933,098	605,104
33,900,714	4,468,991	64,924,480	96,558,308	123,734,760
952,496	-	6,250,892	3,329,575	6,895,007
8,848,059	14,546,400	24,839,179	22,711,388	37,792,855
(30,727)	(91,953)	(44,039)	-	-
-	-	-	-	-
10,385,771	10,650,838	10,168,858	7,976,782	-
24,332,519	24,201,256	22,238,862	12,356,598	15,530,846
8,983,658	11,414,688	11,854,414	10,844,749	11,801,670
-	-	-	-	-
-	1,076,146	-	-	-
2,703,470	38,195,278	33,100,484	36,491,826	2,940,776
95,741	99,285	104,528	106,709	121,676
(188)	(210,307)	-	-	-
<u>\$ 93,910,774</u>	<u>\$ 157,842,213</u>	<u>\$ 177,312,544</u>	<u>\$ 194,309,033</u>	<u>\$ 199,422,694</u>

	Fiscal Year				
	2008	2009	2010	2011	2012
Revenues					
Property taxes	\$ 107,667,803	\$ 114,250,789	\$ 135,467,934	\$ 139,482,609	\$ 141,890,873
Transient Lodging Taxes	4,951,117	4,849,472	4,393,971	2,683,197	2,894,387
Licenses and permits	15,332,627	11,855,613	10,730,404	10,400,040	14,384,978
Fines, forfeitures, and penalties	1,722,852	1,677,521	2,226,105	4,862,230	4,416,333
Special assessment collections	155,239	148,856	136,824	132,710	164,077
Interest	133,182,832	4,134,140	1,964,976	1,174,272	1,011,863
Intergovernmental	9,319,838	128,042,891	140,076,368	142,470,963	132,014,776
Charges for services	51,654,909	42,169,328	41,696,868	46,253,435	43,215,672
Land sale proceeds	314,634	573,421	-	-	-
Contributions	-	-	-	-	228,678
Reimbursements	-	-	-	-	-
Miscellaneous	21,565,886	24,283,575	23,129,397	23,900,433	22,347,016
Total revenues	<u>\$ 345,867,739</u>	<u>\$ 331,986,206</u>	<u>\$ 359,822,850</u>	<u>\$ 371,159,889</u>	<u>\$ 362,569,153</u>
Expenditures					
General government	\$ 51,170,376	\$ 56,387,816	\$ 54,260,476	\$ 53,620,469	\$ 53,855,213
Public protection	89,864,349	95,029,528	97,759,730	105,780,518	107,590,481
Public ways and facilities	37,102,593	30,441,051	25,102,696	35,018,008	26,817,772
Health and human services	73,508,338	76,709,014	70,296,434	78,272,103	86,055,271
Economic development	7,613,070	19,485,414	28,634,613	20,592,690	14,045,952
Culture, education and recreation	29,258,876	23,501,524	24,194,631	30,391,047	31,083,440
Debt service:					
Principal	9,657,334	9,458,139	13,130,828	12,580,292	13,254,352
Interest and fiscal charges	6,182,175	5,698,873	6,036,329	5,673,005	5,454,437
Special payments	-	-	-	-	-
Capital outlay	80,735,011	57,637,726	45,913,599	37,244,196	32,333,238
Total expenditures*	<u>385,092,122</u>	<u>374,349,085</u>	<u>365,329,436</u>	<u>379,172,328</u>	<u>370,490,156</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (39,224,383)</u>	<u>\$ (42,362,879)</u>	<u>\$ (5,506,586)</u>	<u>\$ (8,012,439)</u>	<u>\$ (7,921,003)</u>
Other Financing Sources (Uses)					
Proceeds from refunding bonds, net	\$ -	\$ -	\$ 5,820,100	\$ -	\$ -
Payment to refunding bond paying agent	-	-	(5,711,099)	-	-
Loan proceeds	-	5,000,000	39,795,000	-	-
Proceeds from sale of capital assets	2,270,821	1,098,845	1,221,011	562,325	1,210,766
Issuance of bonded debt	8,017,998	-	2,744,206	6,000,000	-
Bond premium	-	-	-	-	-
Issuance of loans payable	-	-	-	-	1,720,400
Repayments of loans payable	-	-	-	-	-
Loss on land held for resale	-	(977,164)	-	-	-
Transfers to other governments	-	-	-	-	-
Transfers in	117,462,308	117,578,846	112,820,395	115,434,721	111,794,604
Transfers out	(118,177,864)	(118,838,317)	(114,141,939)	(116,965,133)	(113,270,342)
Total other financing sources (uses)	<u>\$ 9,573,263</u>	<u>\$ 9,862,210</u>	<u>\$ 42,547,674</u>	<u>\$ 5,031,613</u>	<u>\$ 1,655,428</u>
Net change in fund balances	<u>\$ (29,651,120)</u>	<u>\$ (38,500,669)</u>	<u>\$ 37,041,088</u>	<u>\$ (2,980,526)</u>	<u>\$ (6,465,575)</u>
Debt service as a percentage of non-capital expenditures		5.2%	4.8%	6.0%	5.3%
				5.3%	5.5%

Notes:
(1) 2005 was the first year in which program expenditures for Economic Development were reported in the County CAFR.
* Economic development expenditures occurred in other years but were not reported separately.
- Does not include donated capital assets that are reported on the Statement of Net Position

Fiscal Year					
2013	2014	2015	2016	2017	
\$ 145,084,766	\$ 142,329,034	\$ 148,661,002	\$ 155,314,785	\$ 163,600,065	
3,198,007	3,421,817	3,795,812	4,416,411	4,485,340	
16,451,842	16,818,358	19,539,617	26,178,490	21,923,635	
5,046,418	4,778,965	5,255,997	5,299,894	4,970,031	
448,754	397,123	1,467,524	311,777	845,444	
897,740	730,363	998,493	1,161,167	1,679,372	
131,229,489	126,650,390	133,870,329	135,697,419	129,034,585	
58,796,633	64,788,459	72,292,957	76,089,491	76,213,891	
-	-	-	-	-	
1,142,754	575,203	1,986,812	510,946	618,787	
21,717,077	22,597,034	23,486,457	22,912,805	24,557,858	
6,890,942	8,948,005	7,524,048	4,750,543	3,217,752	
<u>\$ 389,904,422</u>	<u>\$ 392,034,751</u>	<u>\$ 418,869,748</u>	<u>\$ 432,643,718</u>	<u>\$ 430,946,760</u>	
\$ 77,944,391	\$ 57,881,077	\$ 59,615,521	\$ 64,539,969	\$ 67,327,018	
110,236,709	116,308,352	118,777,531	126,445,743	128,787,254	
30,845,732	29,639,013	36,956,174	31,319,801	29,799,132	
101,111,648	97,280,865	104,268,379	98,333,339	86,906,914	
9,140,339	9,185,643	9,430,904	14,217,641	14,652,687	
30,921,430	31,939,858	32,274,200	34,057,698	20,674,451	
13,804,803	9,259,309	9,668,182	10,697,711	10,972,214	
5,102,914	5,659,160	5,171,643	4,835,838	4,337,850	
-	-	250,000	14,508,498	33,335,510	
25,762,495	20,016,681	15,075,330	23,807,154	27,592,369	
<u>404,870,461</u>	<u>\$ 377,169,958</u>	<u>\$ 391,488,464</u>	<u>\$ 422,783,392</u>	<u>\$ 424,085,399</u>	
\$ (14,966,039)	\$ 14,864,793	\$ 27,381,284	\$ 9,860,326	\$ 6,861,361	
\$ 18,875,000	\$ -	\$ -	\$ -	\$ -	
(20,100,572)	-	-	-	-	
-	-	-	-	-	
278,340	-	-	835,065	678,312	
21,777,885	-	-	-	59,000,000	
1,580,221	-	-	-	7,166,794	
-	-	134,730	430,784	-	
-	-	(919,280)	(144,347)	-	
-	-	-	-	-	
-	-	-	-	-	
102,961,088	115,736,848	120,332,137	116,865,958	126,416,434	
(104,126,946)	(120,412,505)	(122,189,167)	(119,963,921)	(126,946,766)	
<u>\$ 21,243,116</u>	<u>\$ 14,575,697</u>	<u>\$ 12,641,580</u>	<u>\$ 11,596,461</u>	<u>\$ 8,413,774</u>	
<u>\$ 6,277,077</u>	<u>\$ 10,189,136</u>	<u>\$ 24,739,704</u>	<u>\$ 7,863,865</u>	<u>\$ 73,275,135</u>	
5.0%	4.2%	3.9%	3.9%	3.9%	

REVENUE CAPACITY

**CLACKAMAS COUNTY, OREGON
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Real Property	Personal Property	Manufactured Structures	Public Utility Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Cash Value	Assessed Value as a Percentage of Actual Cash Value
2008	\$ 33,947,928,598	\$ 780,241,341	\$ 201,283,980	\$ 973,990,260	\$ 3,247,473,499	\$ 32,655,970,680	2.91 %	\$ 57,192,695,090	57.10 %
2009	35,913,611,262	837,758,184	198,795,056	1,005,929,080	3,438,163,153	34,517,930,429	2.91	60,008,391,125	57.52
2010	37,522,116,479	926,844,136	190,358,012	1,187,192,173	3,764,590,489	37,179,122,459	2.91	54,457,966,568	68.27
2011	38,740,686,945	895,025,553	154,775,252	1,216,349,414	3,929,241,373	37,077,595,791	2.91	48,903,531,566	75.82
2012	39,928,324,861	818,891,277	148,526,706	1,251,475,694	4,111,167,741	38,036,050,797	2.91	45,749,213,790	83.14
2013	40,981,612,909	842,924,659	148,722,654	1,223,574,640	4,328,790,568	38,868,044,294	2.91	44,029,803,115	88.28
2014	42,691,617,037	864,729,893	145,887,279	1,262,573,514	4,591,316,388	40,373,491,335	2.91	45,905,312,668	87.95
2015	44,762,863,516	874,814,400	152,261,476	1,299,011,574	4,788,499,540	42,300,451,426	2.90	51,015,222,201	82.92
2016	46,856,122,432	900,362,922	160,590,222	1,443,138,660	5,066,830,947	44,293,383,289	2.90	56,348,322,027	78.61
2017	48,993,625,095	960,357,717	172,158,758	1,489,568,376	5,210,580,178	46,405,129,768	2.92	63,521,203,283	73.05

Source: Clackamas County Department of Assessment and Taxation

Notes:

(1) A property tax limitation measure became effective in fiscal 1998. The measure limited taxes on each property by reducing the 1997-98 assessed value of each property to 90% of its 1995-96 value. The measure also limits future growth of taxable value to 3% per year with certain exceptions as well as establishing permanent tax rates for Oregon's local taxing districts, which replaces the former tax base amounts of the district.

(2) The total direct tax rate reported is for Clackamas County. Component unit tax rates are reported in the schedule of direct and overlapping rates on pages 210 & 210a. Because taxpayers pay city or rural rates, based on their respective tax code area, the total direct tax rate is a weighted average of city/rural rates. Services to rural areas have been determined to be more costly.

**CLACKAMAS COUNTY, OREGON
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)**

Fiscal Year Ended June 30,	Property Taxes	Transient Lodging Taxes	Other Taxes	Total Taxes
2008	\$ 107,668	\$ 3,062	\$ 1,889	\$ 112,619
2009	114,251	2,657	2,162	119,070
2010	135,468	2,430	1,964	139,862
2011	139,483	2,683	-	142,166
2012	141,891	2,894	-	144,785
2013	145,084	3,198	-	148,282
2014	142,329	3,421	-	145,750
2015	148,662	3,796	-	152,458
2016	155,315	4,416	-	159,731
2017	163,600	4,494	-	168,094

Notes:
1) Budgeted Resources

**CLACKAMAS COUNTY, OREGON
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Last Ten Fiscal Years)
YEAR ENDED JUNE 30, 2017
(Rate per \$1,000 of Assessed Value)**

Year	Clackamas County Direct Rates			Overlapping Rates						Total Direct & Overlapping Rate	Total Direct & Overlapping Range
	General Operations	Safety Local Option	Total Direct Rate	County Component Units	Cities	Schools	College/ESD	Fire	Other Special		
2008	2.66	0.25	2.91	0.38	2.40	6.93	1.06	1.68	0.55	15.91	8.94-19.64
2009	2.66	0.25	2.91	0.39	2.31	6.92	1.06	1.81	0.52	15.92	8.95-20.14
2010	2.66	0.25	2.91	0.86	2.40	7.13	1.06	1.83	0.55	16.74	8.29-20.83
2011	2.66	0.25	2.91	0.86	2.39	7.09	1.05	1.82	0.53	16.65	7.74-20.85
2012	2.66	0.25	2.91	0.86	2.40	7.24	1.03	1.83	0.44	16.71	7.34-20.35
2013	2.66	0.25	2.91	0.86	2.42	7.20	1.05	1.82	0.23	16.49	9.98-20.91
2014	2.91	0.25	3.15	0.85	2.34	7.17	1.06	1.88	0.53	16.98	9.59-21.52
2015	2.90	0.25	3.15	0.87	2.98	7.10	1.06	1.99	0.55	17.70	9.60-21.40
2016	2.90	0.25	3.15	0.87	2.33	7.15	1.06	2.28	0.11	16.96	9.64-21.06
2017	2.92	0.25	3.16	0.90	2.16	7.19	1.08	2.31	0.11	16.92	9.64-21.09

CLACKAMAS COUNTY, OREGON
 PRINCIPAL PROPERTY TAX PAYERS
 JUNE 30, 2017 AND NINE YEARS AGO

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Portland General Electric	\$ 721,428,800	1	1.55 %	\$ 457,385,000	1	1.40 %
Shorenstein Properties LLC	288,286,098	2	0.62	72,368,247	6	0.22
General Growth Properties Inc.	249,221,847	3	0.54	136,749,352	4	0.42
Fred Meyer Fuel (Stores)	204,065,376	4	0.44	175,938,129	2	0.54
Northwest Natural Gas Company	200,341,500	5	0.43	171,088,700	3	0.52
Comcast Corporation	189,429,300	6	0.41			
PCC Structuralis Inc.	134,221,990	7	0.29	83,838,807	5	0.26
Mentor Graphics Corp	78,002,631	8	0.17			
Marvin F. Poer & Company	75,140,905	9	0.16			
ROIC Oregon LLC	74,347,897	10	0.16			
Xerox Corp				69,033,458	7	0.21
Qwest Corporation				68,453,400	8	0.21
Safeway Stores Inc.				50,761,633	10	0.16
Verizon Northwest Inc.				60,390,600	9	0.18
Total	\$ 2,214,486,334		4.77 %	\$ 1,346,007,326		4.12 %

Source: Clackamas County Department of Assessment and Taxation

CLACKAMAS COUNTY, OREGON
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 91,903,807	\$ 86,387,265	94.0 %	\$ 3,350,811	\$ 89,738,076	97.64 %
2009	96,647,780	89,978,400	93.1	4,573,913	94,552,313	97.83
2010	100,804,719	94,470,625	93.7	3,702,280	98,172,905	97.39
2011	103,507,849	96,905,699	93.6	3,668,015	100,573,714	97.17
2012	106,207,214	99,833,289	94.0	3,424,142	103,257,431	97.22
2013	107,907,265	101,835,491	94.4	3,101,804	104,937,296	97.25
2014	113,933,552	108,046,741	94.8	2,434,259	110,481,000	96.97
2015	119,526,869	113,557,013	95.0	1,898,821	115,455,834.04	96.59
2016	125,065,100	118,992,186	95.1	1,357,831	120,350,017	96.23
2017	131,473,662	125,360,750	95.4	-	125,360,750	95.35

Source: Clackamas County Department of Assessment and Taxation

**CLACKAMAS COUNTY, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Governmental Activities									
Fiscal Year	General Obligation Bonds	Clackamas County Development Agency Redevelopment Bonds	Clackamas County Bancroft Limited Tax Assessment Bonds	Clackamas County Full Faith and Credit Obligation	Clackamas County Full Faith and Credit Refunding Bonds	Clackamas County Full Faith and Credit Financing Agreement	North Clackamas Parks Limited Tax Revenue Refunding Bonds	North Clackamas Parks Full Faith and Credit Obligation	
2008	\$ 1,807,388	\$ 30,057,474	\$ 1,400,000	\$ 70,617,974	\$ -	\$ -	\$ 6,360,000	\$ 8,000,000	
2009	1,740,000	24,568,705	1,400,000	68,290,000	-	-	5,975,000	7,785,000	
2010	-	18,830,197	1,400,000	100,230,000	-	-	-	13,150,000	
2011	-	18,830,587	1,400,000	96,620,000	-	-	-	12,550,000	
2012	-	12,267,995	1,400,000	92,860,000	-	-	-	11,920,000	
2013	-	5,405,000	1,400,000	70,596,283	20,215,715	20,080,000	-	11,336,101	
2014	-	5,090,000	1,400,000	66,995,155	19,816,704	19,475,000	-	10,735,433	
2015	-	4,760,000	1,400,000	63,274,026	19,152,693	18,685,000	-	10,038,860	
2016	-	4,415,000	1,400,000	59,412,899	18,443,682	17,870,000	-	9,322,286	
2017	65,814,844	4,055,000	1,400,000	56,547,885	16,550,122	17,035,000	-	8,590,713	

Source: Clackamas County Finance Department

Notes:

- (1) Details regarding the County's outstanding debt can be found in the Notes to the Basic Financial Statements.
 - (2) Per capita and percentage of personal income is based on the population of the entire County as reported on page 220.
 - (3) Water Environment Services debt includes Clackamas County Service District No. 1 and Tin City Service District debt.
- N/A: Not available

DEBT CAPACITY

CLACKAMAS COUNTY, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Business-Type Activities										
Loans and Contracts Payable	Capital Leases Payable	Housing Authority Easton Ridge Revenue Bonds	Housing Authority Loans and Contracts Payable	Stone Creek Golf Full Faith and Credit Bonds	Sanitary Sewer & Surface Water Loans and Contracts Payable	Service District No. 1 Revenue Bonds	Service District No. 1 Bancroft Improvement Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 12,932,816	\$ 40,059	\$ 8,987,803	\$ 719,531	\$ 5,399,012	\$ 1,694,133	\$ 8,371,444	\$ -	\$ 156,387,634	0.94 %	415
17,954,578	-	8,727,653	673,509	5,149,074	1,487,321	46,006,975	-	189,757,815	1.21	500
21,343,961	-	8,447,503	626,918	4,894,136	1,850,243	89,486,843	-	260,259,801	1.63	682
19,669,841	-	7,932,653	531,635	4,629,198	6,866,161	110,522,460	-	279,552,535	1.68	739
18,121,142	-	7,637,203	489,842	4,354,260	9,492,734	107,154,050	-	265,697,226	1.50	689
18,496,953	-	16,603,341	437,923	4,070,000	9,660,603	103,264,554	-	281,566,473	1.59	732
14,907,811	-	16,603,341	386,856	-	9,159,670	99,273,573	-	263,843,543	1.42	685
11,279,629	-	16,603,341	333,344	-	8,500,801	95,141,831	-	249,169,525	1.25	627
6,784,901	-	16,368,341	276,678	-	8,043,029	91,094,801	-	233,411,617	N/A	577
5,256,531	-	16,128,341	216,851	-	1,646,239	102,941,959	-	296,183,485	N/A	726

Fiscal Year	General Obligation Bonds	Total GO Bonded Debt Outstanding	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property	Per Capita
2008	\$ 1,790,000	1,790,000	\$ 38,015	\$ 1,751,985	0.01%	5
2009	1,740,000	1,740,000	186,478	1,553,522	0.00%	4
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	59,000,000	59,000,000	-	59,000,000	0.00%	146

Source: Clackamas County Finance Department

- Note:
- (1) Details regarding the County's outstanding debt can be found in the notes to the financial statements
 - (2) See the Schedule of Assessed Value and Actual Value of Taxable Property for actual taxable value of property.
 - (3) Population Data can be found in the Schedule of Demographic Statistics.

CLACKAMAS COUNTY, OREGON
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2017

CLACKAMAS COUNTY, OREGON
DIRECT AND OVERLAPPING DEBT (CONTINUED)
JUNE 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Canby RFPD 62	\$ 162,500	100.0000 %	\$ 162,500
City of Canby	24,814,626	100.0000	24,814,626
City of Estacada	2,828,233	100.0000	2,828,233
City of Gladstone	1,473,000	100.0000	1,473,000
City of Happy Valley	3,300,000	100.0000	3,300,000
City of Lake Oswego	9,190,000	94.6370	8,697,140
City of Milwaukie	13,943,244	99.2948	13,844,916
City of Molalla	30,000	100.0000	30,000
City of Portland	155,468,265	0.1261	196,045
City of Sandy	8,449,837	100.0000	8,449,837
City of Tualatin	6,054,594	14.2007	859,795
City of West Linn	15,940,000	100.0000	15,940,000
Clackamas Community College	102,608,913	100.0000	102,608,913
Clackamas County Educational Service District	22,820,637	99.4766	22,701,194
Clackamas County Rural Fire Protection District #1	26,870,000	99.8333	26,825,208
Clackamas County School District 108 (Estacada)	26,315,000	100.0000	26,315,000
Clackamas County School District 115 (Gladstone)	45,922,441	100.0000	45,922,441
Clackamas County School District 12 (North Clackamas)	609,115,622	100.0000	609,115,622
Clackamas County School District 35 (Molalla River)	15,142,460	100.0000	15,142,460
Clackamas County School District 3J (West Linn-Wilsonville)	229,668,066	98.4415	226,088,689
Clackamas County School District 46 (Oregon Trail)	94,905,487	100.0000	94,905,487
Clackamas County School District 53 (Colton)	1,341,624	100.0000	1,341,624
Clackamas County School District 62 (Oregon City)	72,889,276	100.0000	72,889,276
Clackamas County School District 7J (Lake Oswego)	90,618,476	98.7937	89,525,345
Clackamas County School District 86 (Canby)	60,820,573	100.0000	60,820,573
Marion County School District 4J (Silver Falls)	47,813,545	8.6534	4,137,545
Metro	183,510,000	18.2272	33,448,735
Molalla Rural Fire Protection District 73	3,070,000	100.0000	3,069,975
Mt Hood Community College	23,235,000	16.0661	3,732,958
Multnomah County School District 10J (Gresham-Barlow)	310,047,960	19.1406	59,345,040
Multnomah County School District 1J (Portland)	665,077,068	0.0666	442,941
Multnomah County School District 28J (Centennial)	22,251,858	7.0005	1,557,741
Multnomah County School District 51J (Riverdale)	18,249,889	5.3089	968,868
Pleasant Home Water District	1,575,000	5.6680	89,271
Portland Community College	302,090,000	5.2084	15,734,056
Rivergrove Water District 14J	627,528	98.6589	619,112
Silverton Rural Fire Protection District	4,283,817	5.1626	221,156
Tualatin Valley Fire & Rescue District	48,820,000	16.0057	7,813,983
Washington County School District 23J (Tigard-Tualatin)	269,654,318	4.4830	12,088,603
Washington County School District 88J (Sherwood)	220,719,911	6.4383	14,210,610
Willamette Educational Service District	9,961,880	0.6226	62,023
Yamhill County School District 29J (Newberg)	47,534,029	1.7274	821,103
Other Debt			
City of Estacada	\$ 1,079,634	100.0000 %	\$ 1,079,634
City of Lake Oswego	162,090,000	94.6370	153,397,113
City of Milwaukie	3,555,000	99.2948	3,529,930
City of Molalla	4,165,975	100.0000	4,165,975
City of Oregon City	18,803,759	100.0000	18,803,759

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Other Debt (Continued)			
City of Portland	509,068,938	0.1261	641,936
City of Sandy	11,030,348	100.0000	11,030,348
City of Tualatin	3,900,000	14.2007	553,827
City of Wilsonville	34,525,000	90.1811	31,135,025
Clackamas Community College	25,665,000	100.0000	25,665,000
Clackamas County Rural Fire Protection District #1	16,890,000	99.8333	16,861,844
Clackamas County School District 12 (North Clackamas)	922,460	100.0000	922,460
Clackamas County School District 62 (Oregon City)	399,147	100.0000	399,147
Metro	19,225,000	18.2272	3,504,179
Mt Hood Community College	34,521,704	16.0661	5,546,292
Multnomah Educational Service District	28,200,000	1.4796	417,247
North Clackamas Parks and Recreation District	8,500,000	100.0000	8,500,000
Northwest Regional Educational Service District	4,465,137	0.9508	42,455
Oak Lodge Sanitary District 2	17,545,000	100.0000	17,545,000
Port of Portland	62,108,214	22.2657	13,828,829
Portland Community College	87,170,000	5.2084	4,540,162
Willamette Educational Service District	13,227,907	0.6226	82,357
Subtotal overlapping debt			1,955,354,165
County direct debt			<u>175,250,095</u>
Total direct and overlapping debt			<u>\$ 2,130,604,260</u>

Source: Municipal Debt Advisory Commission, State of Oregon, Office of the County Treasurer

Note:

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. The State of Oregon provides overlapping debt data based on real market valuation of properties for each jurisdiction.

**CLACKAMAS COUNTY, OREGON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Clackamas County:										
ORS 287A.100 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's legal boundaries. This became effective January 1, 2008 superseding ORS 297.054.										
Real market value	\$ 57,192,695	\$ 60,008,391	\$ 54,457,967	\$ 48,903,532	\$ 45,749,214	\$ 44,029,803	\$ 45,905,313	51,015,222	56,348,322	63,521,203
Debt limit rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Debt limit	1,143,854	1,200,168	1,089,159	978,071	914,984	880,596	918,106	1,020,304	1,126,966	1,270,424
Less general obligation debt at June 30	1,790	1,740	-	-	-	-	-	-	-	59,000
Legal debt margin	\$ 1,142,064	\$ 1,198,428	\$ 1,089,159	\$ 978,071	\$ 914,984	\$ 880,596	\$ 918,106	1,020,304	1,126,966	1,211,424
Total net debt applicable to the limit as a percentage of debt limit	0.16%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.64%
ORS 287A.105 provides a debt limit on revenue/full faith and credit bonds of 1% of the real market value of all taxable property within the County's boundaries. This became effective January 1, 2008 superseding ORS 287.053.										
Real market value	\$ 57,192,695	\$ 60,008,391	\$ 54,457,967	\$ 48,903,532	\$ 45,749,214	\$ 44,029,803	\$ 45,905,313	51,015,222	56,348,322	63,521,203
Debt limit rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Debt limit	571,927	600,084	544,580	489,035	457,492	440,298	459,053	510,152	563,483	635,212
Less full faith and credit obligation debt at June 30	100,745	97,500	128,285	123,305	118,315	113,125	120,905	114,865	108,580	102,055
Legal debt margin	\$ 471,182	\$ 502,584	\$ 416,295	\$ 365,730	\$ 339,177	\$ 327,173	\$ 338,148	395,287	454,903	533,157
Total net debt applicable to the limit as a percentage of debt limit	17.62%	16.25%	23.56%	25.21%	25.86%	25.69%	26.34%	22.52%	19.27%	16.07%
Service District #1:										
ORS 451.545 provides a debt limit on general obligation bonds of 13% of the real market value of all taxable property within the agencies legal boundaries										
Clackamas County Service District #1										
Real market value	\$ 10,181,943	\$ 10,868,802	\$ 9,754,775	\$ 8,834,786	\$ 8,187,186	\$ 7,998,198	\$ 8,467,120	8,141,579	8,592,178	9,074,161
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	1,323,653	1,412,944	1,268,121	1,148,522	1,064,334	1,039,766	1,100,726	1,058,405	1,116,983	1,179,641
Less general obligation debt at June 30	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 1,323,653	\$ 1,412,944	\$ 1,268,121	\$ 1,148,522	\$ 1,064,334	\$ 1,039,766	\$ 1,100,726	1,058,405	1,116,983	1,179,641
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Clackamas County Finance Division

CLACKAMAS COUNTY, OREGON
PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
Governmental Activities

Limited Tax Assessment Bonds

Fiscal Year	Assessment Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 156,579	\$ -	\$ 156,579	\$ -	\$ 91,000	1.72 %
2009	146,695	-	146,695	-	91,000	1.61
2010	138,498	-	138,498	-	91,000	1.52
2011	130,978	-	130,978	-	91,000	1.44
2012	126,059	-	126,059	-	91,000	1.39
2013	132,407	-	132,407	-	91,000	1.46
2014	-	-	-	-	91,000	-
2015	-	-	-	-	91,000	-
2016	-	-	-	-	91,000	-
2017	-	-	-	-	91,000	-

General County Loan Payable to Oregon Department of Transportation (1)

Fiscal Year	State and County Transportation Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 21,330,519	\$ 21,655,244	\$ (324,725)	\$ 706,808	\$ 433,828	(0.28) %
2009	17,991,258	18,920,695	(929,437)	733,314	522,816	(0.74)
2010	17,725,425	21,072,650	(3,367,225)	1,222,867	708,969	(1.74)
2011	19,952,908	20,007,577	(54,669)	1,231,568	700,268	(0.03)
2012	25,352,296	18,533,276	6,819,020	1,276,786	655,049	3.53
2013	25,609,141	23,087,019	2,522,122	1,334,372	597,464	1.31
2014	27,404,967	22,210,058	5,194,909	3,337,417	528,140	1.34
2015	28,116,693	31,775,860	(3,659,167)	3,454,073	424,712	(0.94)
2016	34,953,222	33,909,050	1,044,172	4,046,072	319,681	0.24
2017	29,729,590	34,749,126	(5,019,536)	4,142,512	71,631	(1.19)

Clackamas County Services District No. 1 Bancroft Improvement Special Assessment Bonds

Fiscal Year	Assessment Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 5,169	\$ -	\$ 5,169	\$ 320,424	\$ 12,177	0.02 %
2009	-	-	-	-	-	0.00
2010	-	-	-	-	-	0.00
2011	-	-	-	-	-	0.00
2012	-	-	-	-	-	0.00
2013	-	-	-	-	-	0.00
2014	-	-	-	-	-	0.00
2015	-	-	-	-	-	0.00
2016	-	-	-	-	-	0.00
2017	-	-	-	-	-	0.00

Source: Clackamas County Finance Department

Notes:

(1) Loan payable by General County to Oregon Department of Transportation is payable from highway taxes and system development charges. Operating expenses netted against revenue above include roads department maintenance costs and operating expenses of the Joint Transportation SDC Fund and the Transportation System Development Charge Fund.

CLACKAMAS COUNTY, OREGON
PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
Business-type Activities

Service District No. 1 - Revenue Bonds

Fiscal Year Ended June 30,	Assessment Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 21,251,386	\$ 11,624,034	\$ 9,627,352	\$ 975,000	\$ 336,988	7.3 %
2009	20,311,508	12,829,468	7,482,040	1,010,000	302,426	5.7
2010	23,776,171	13,317,079	10,459,092	1,445,000	3,079,747	2.3
2011	27,983,443	13,704,474	14,278,969	3,070,000	3,516,324	2.2
2012	27,804,057	13,872,327	13,931,730	3,395,000	4,755,286	1.7
2013	31,004,935	14,603,670	16,401,265	3,905,000	4,242,142	2.0
2014	30,890,908	15,089,956	15,800,952	4,025,000	4,116,069	1.9
2015	32,490,768	14,186,191	18,304,577	4,145,000	3,972,820	2.3
2016	37,077,085	15,304,504	21,772,581	3,240,000	3,856,314	3.1
2017	37,309,283	16,979,074	20,330,209	4,350,000	2,709,269	2.9

Source: Clackamas County Finance

Notes:

(1) Details regarding Clackamas County's outstanding debt can be found in the notes to the basic financial statements.
(2) All Bancroft bonded debt for Clackamas County Service District #1 was paid as of 06/30/08.

**CLACKAMAS COUNTY, OREGON
PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
Business-type Activities (continued)**

Service District No. 1 - State Revolving Fund Loans				Service District No. 1 - Bancroft Bonds			
Net Available Revenue	Debt Service		Coverage	Net Available Revenue	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
8,315,364	\$ 158,909	\$ 65,858	37.0 %	\$ 8,090,597	\$ 320,424	\$ 12,177	24.3 %
6,169,614	165,507	58,449	27.5	5,945,658	-	-	-
5,934,345	172,379	48,371	26.9	5,713,595	-	-	-
7,692,645	179,537	40,236	35.0	7,472,872	-	-	-
5,781,444	187,002	34,314	26.1	5,560,128	-	-	-
8,254,123	194,756	24,324	37.7	8,035,042	-	-	-
7,659,883	450,633	454,537	8.5	6,754,713	-	-	-
10,186,757	606,547	229,234	12.2	9,350,976	-	-	-
14,676,267	403,346	212,637	23.8	14,060,284	-	-	-
13,270,940	6,396,790	28,962	2.1	13,164,732	-	-	-

Fiscal Year Ended June 30,	Stone Creek Golf Course-Full Faith & Credit Obligation Series 2003 (2)					
	Operating Income	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 2,801,556	\$ 2,092,856	\$ 708,700	\$ 245,000	\$ 228,445	1.50 %
2009	2,779,987	2,189,727	590,260	250,000	223,088	1.25
2010	2,634,586	2,194,644	439,942	255,000	216,138	0.93
2011	2,592,245	1,978,486	613,759	265,000	208,006	1.30
2012	2,651,842	2,025,659	626,183	275,000	198,888	1.32
2013	2,806,647	2,035,261	771,386	285,000	188,731	1.63
2014 (4)	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-

Notes:
(1) Details regarding Clackamas County's outstanding debt can be found in the notes to the basic financial statements.
(2) Stone Creek Golf Course-Bonds issued September 2003-Nonmajor proprietary fund
(3) Housing Authority-Revenue Bonds -major proprietary fund
(4) Stone Creek Golf Course-Full Faith & Credit Obligation Series 2003 was paid in full in November 2013.

Housing Authority of Clackamas County-(Revenue Bonds)(3)						
Operating Income	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
			Principal	Interest		
\$ 1,966,499	\$ 1,378,341	\$ 588,158	\$ 255,000	\$ 545,310	0.73 %	
1,921,967	1,428,865	493,102	270,000	530,085	0.62	
1,908,076	1,372,879	535,197	290,000	513,845	0.67	
2,025,185	1,265,170	760,015	505,000	496,590	0.76	
2,057,729	1,331,069	726,660	325,000	488,239	0.89	
1,321,575	961,903	359,672	7,816,909	554,170	0.04	
1,573,436	1,008,572	564,864	-	647,927	0.87	
2,085,263	1,710,253	375,010	4,000,000	774,509	0.08	
2,215,633	911,499	1,304,134	235,000	623,324	1.52	
2,491,157	2,076,231	414,926	240,000	620,500	0.48	

ECONOMIC AND DEMOGRAPHIC INFORMATION

**CLACKAMAS COUNTY, OREGON
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

**CLACKAMAS COUNTY, OREGON
PRINCIPAL EMPLOYERS ⁽¹⁾
JUNE 30, 2017 AND NINE YEARS AGO**

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income (1)	Clackamas County Unemployment Rate (2)
2008	376,660	\$ 16,875,498	\$ 43,952	4.7 %
2009	379,845	16,578,715	41,395	8.4
2010	381,775	17,162,313	41,809	10.4
2011	378,485	16,610,193	43,886	9.5
2012	381,685	17,734,612	46,464	8.4
2013	384,924	17,722,286	46,041	7.5
2014	391,525	18,617,014	47,550	6.4
2015	397,385	19,936,408	50,169	5.6
2016	404,980	20,807,467	51,379	4.7
2017	408,062	N/A	N/A	3.9

Sources: Center for Population Research and Census, School of Urban and Public Affairs, Portland State University
Department of Human Resources, State of Oregon, Employment Division

Notes:

(1) Data is for calendar years for Clackamas County from Bureau of Economic Analysis

(2) This number has been updated to reflect rates specific to Clackamas County per the State of Oregon Employment Department.

N/A: Not available

Employer	2017			2008		
	Employees	Rank	Percentage of Total ⁽²⁾	Employees	Rank	Percentage of Total ⁽²⁾
Intel Corp.	19,500	1	.02 %	16,000	1	.01 %
Providence Health & Services	17,378	2	.01	12,000	4	.01
Oregon Health & Sciences University	15,424	3	.01	12,100	3	.01
Fred Meyer	11,200	4	.01	13,000	2	.01
Kaiser Permanente Northwest	10,269	5	.01	8,789	5	.01
Legacy Health System	9,300	6	.01	8,196	7	.01
Nike Inc.	8,500	7	.01	5,000	10	.00
Portland Public Schools	7,678	8	.01			
Multnomah County	6,189	9	.01			
City of Portland	5,667	10	.00	8,613	6	.01
Beaverton School District				5,000	9	.00
Wells Fargo Bank				5,306	8	.00
Total	<u>111,105</u>		<u>0.09 %</u>	<u>94,004</u>		<u>0.09 %</u>

Sources:

(1) Statistics are the latest available data published in the Portland Business Journal *Book of Lists 2017*, and *Book of Lists 2008*. The Business Journal Book of Lists ranks Portland Metropolitan Area employers.

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

**CLACKAMAS COUNTY, OREGON
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM (1)
LAST TEN FISCAL YEARS**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
County commissioners & administration	13.8	14.1	15.1	15.4	15.4	15.4	17.4	17.80	17.80	19.31
Assessor	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.50	58.50	58.50
Technology Services	62.8	53.3	60.3	51.6	52.3	62.3	48.5	50.50	52.00	54.50
Building services and surveyor (6)	57.5	56.5	52.5	30.3	29.3	30.5	34.0	36.50	42.00	46.50
Finance	39.1	39.1	39.5	39.5	38.5	37.5	37.5	40.00	40.53	44.53
Facilities management (7)	16.0	20.0	20.0	27.0	27.0	27.0	28.0	35.00	35.50	42.00
County clerk	28.0	27.0	25.0	23.5	24.5	23.5	22.0	19.00	19.00	19.00
Employee services	33.6	33.9	34.6	35.4	34.4	34.7	33.7	34.70	37.80	39.60
Other	43.6	45.5	46.2	43.4	43.4	43.6	43.5	47.50	49.50	50.50
Total General government	341.9	346.9	340.7	323.6	322.2	322.1	322.1	338.50	352.83	374.44
Public protection (2)										
Homeland security and dispatch	50.0	51.0	51.0	52.0	52.0	50.0	48.0	50.50	53.00	53.00
Juvenile court services	48.5	48.5	48.0	49.0	48.4	49.5	50.0	51.00	54.00	54.00
Justice court (3)	N/A	1.3	6.0	8.0	10.5	10.5	10.5	10.50	10.50	10.50
Sheriff (8)	434.3	444.8	448.5	450.0	429.3	432.0	437.0	439.50	443.50	449.35
Community corrections	105.5	105.5	105.5	99.5	100.5	88.5	92.5	97.00	97.00	106.00
District attorney	90.2	90.5	88.6	87.7	86.0	81.5	81.2	81.14	85.54	85.54
Total Public protection	728.5	741.6	747.6	746.2	727.7	712.0	719.2	730.24	743.54	758.38
Public ways and facilities										
Roads	106.9	106.9	107.9	106.9	107.0	110.0	108.5	112.75	117.55	119.55
Engineering	47.8	45.0	45.0	48.7	49.0	49.0	40.0	39.00	34.00	35.00
Total Public ways and facilities	154.7	151.9	152.9	155.6	156.0	159.0	148.5	151.75	151.55	154.55
Health and sanitation										
Community health (4) (8) (9)	300.5	271.4	254.7	261.4	310.7	340.6	349.0	329.42	357.31	362.88
Social services (5)	117.4	118.3	64.1	70.3	74.6	82.0	86.6	87.30	96.65	101.55
Community environment	13.9	13.8	14.1	15.3	15.8	14.8	14.0	11.00	11.75	13.75
Dog services	13.0	13.0	13.0	13.0	15.6	13.6	15.8	15.80	17.10	18.30
Milwaukie Center	9.7	9.7	9.5	9.0	10.3	10.4	10.6	8.48	8.48	8.68
Other	12.5	12.3	11.0	15.8	16.5	16.0	16.5	15.50	18.75	16.75
Total health and sanitation	467.0	438.5	368.3	384.8	443.5	477.5	492.5	467.50	510.04	521.69
Culture and recreation										
Public land corner	12.5	10.5	10.5	8.5	8.5	4.5	4.5	4.50	5.00	4.50
Parks and forester	34.6	37.8	40.9	39.7	38.7	39.8	40.1	37.94	45.62	36.94
County fair and tourism	10.0	10.0	10.0	12.0	14.0	14.0	16.0	16.00	19.00	19.00
Total culture and recreation	57.1	58.3	61.4	60.2	61.2	58.3	60.6	58.44	69.62	60.44
Education										
Library	11.0	10.5	10.0	10.0	11.0	11.0	11.0	13.00	5.00	5.00
Library network	6.8	6.8	7.0	9.0	10.0	9.0	9.0	9.00	9.00	11.00
Total education	17.8	17.3	17.0	19.0	21.0	20.0	20.0	22.00	14.00	16.00
Economic development										
Planning (6)	33.1	29.1	28.2	21.3	21.0	18.0	16.8	16.75	16.20	27.70
Community development (5)	13.0	13.0	13.0	9.0	10.0	10.0	11.00	11.00	10.53	10.73
Community solutions	60.1	60.9	58.1	58.5	36.7	39.0	33.0	35.00	29.50	31.50
Development Agency	9.0	9.0	8.0	8.0	8.0	6.0	5.0	5.00	4.70	4.70
Other	5.3	6.0	6.0	9.0	10.3	9.0	9.0	9.00	9.00	9.00
Total economic development	119.5	118.0	113.3	96.8	85.0	81.0	73.8	76.75	69.93	83.63
Solid waste	110.0	113.0	113.0	109.0	109.0	108.6	108.8	108.75	106.75	104.75
Housing assistance	39.0	40.0	37.0	38.0	36.0	40.0	38.0	37.50	38.50	46.00
Lighting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00	0.00
Total	2,035.5	2,025.5	1,949.3	1,942.2	1,960.6	1,977.4	1,983.4	1,991.4	2,056.6	2,119.9

Source: Clackamas County Finance Department

- Notes:
- (1) Reported full-time equivalent employees are budgeted employees per final budgets at each year-end. Budgeted employees approximate actual.
 - (2) The local option law enforcement levy passed by the voters in 2006 provided funding for additional sheriff staff.
 - (3) Clackamas County Justice Court start-up began just prior to 2009-2010 fiscal year.
 - (4) Closed portion of Sandy Health Clinic in fiscal year 2008-2009.
 - (5) A large number of Social Services FTE's were transferred to the State of Oregon at the beginning of FY 2009-2010. Veterans Services staff were moved from Community Development to Social Services in 2010-2011.
 - (6) The increase in housing and construction, due to an upswing in the economy and increased population, has resulted in increases in building and planning staff.
 - (7) Additional facilities staff were hired to work on federally funded grant activities.
 - (8) Loss of 20+ Sheriff positions and opening of two new clinics-Center Stone and Sunnyside FY 2011-2012
 - (9) Additional staff added to public health clinics.

OPERATING INFORMATION

**CLACKAMAS COUNTY, OREGON
OPERATING INDICATORS BY FUNCTION/PROGRAM (3)
LAST TEN FISCAL YEARS**

Function/Program	2008 (2)	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government:										
Building services:										
Residential plans reviewed within 15 business days	98%	98%	90%	94%	95%	95%	93%	91%	93%	92%
Treasurer:										
Total return on investments	4.45%	2.51%	1.09%	0.64%	0.61%	0.51%	0.45%	0.60%	1.04%	1.22%
Emergency communications:										
Law enforcement calls dispatched	240,863	249,310	225,224	230,323	221,650	238,403	230,604	244,758	249,728	250,130
Emergency medical calls dispatched	17,799	18,351	16,966	17,040	19,166	20,613	21,224	23,066	24,640	23,903
9-1-1 calls answered within 10 seconds	97%	97%	98%	99.7%	99.8%	99.9%	99.9%	99.8%	99.9%	99.6%
Public protection:										
Sheriff:										
Arrests booked into jail	9,936	9,267	8,718	10,163	14,152	15,061	14,725	15,148	16,152	15,885
Domestic violence reports	732	732	639	620	589	579	N/A	N/A	N/A	N/A
Driving under influence arrests	887	789	730	833	713	614	446	556	588	590
Traffic citations	19,023	19,387	17,605	17,382	15,420	15,973	12,475	12,166	13,606	14,328
District attorney:										
Family support payments collected (millions)	\$ 19.7	\$ 19.3	\$ 19.8	\$ 20.2	\$ 20.3	\$ 20.7	\$ 20.3	\$ 23.2	\$ 23.1	\$ 23.1
Juvenile:										
Youth without new crime within one year of case closing	77.4%	76.4%	77.2%	80.40%	81.00%	80.40%	79.80%	82.60%	81.00%	76.30%
Community corrections:										
Work crew community service hours	53,777	50,878	43,046	39,964	33,346	43,050	41,334	43,260	42,306	36,290
Work release clients free from arrest within one year of program completion	69%	75%	71%	69%	75%	78%	77%	85%	78%	80%
Public ways and facilities:										
Transportation Improvement:										
Projects in planning, design or construction	46	45	29	36	35	28	26	25	22	18
Health and sanitation:										
Social services:										
Households receiving Family Caregiver Support Program services (5)	630	588	616	166	183	133	62	97	144	110
Households receiving energy assistance	6,445	7,953	7,314	5,884	4,926	5,127	5,416	4,688	5,144	4,918
Resource Conservation & Solid Waste:										
Regional solid waste recovery rate (DECQ measured)	56.0%	56.5%	57.9%	59.3%	59.3%	62.2%	59.8%	60.4%	N/A	N/A
Dog services:										
Animals licensed	15,357	13,969	13,229	13,661	14,803	20,935	16,074	16,599	17,199	15,616
Milwaukee Center:										
Social service units provided	13,783	16,657	15,675	6,006	6,186	6,718	6,647	5,264	8,216	7,967
Meals on Wheels and on-site meals served	75,821	72,870	66,903	66,903	65,752	66,299	70,966	69,756	70,341	67,256
Culture and recreation:										
Forest Management:										
Forest acres reforested or improved	-	-	130	50	62	90	361	225	482	352
Tourism:										
Visitor spending in Clackamas County (millions) (4)	\$ 440.7	\$ 394.0	\$ 411.0	\$ 466.0	\$ 488.9	496.4	461.3	482.9	N/A	N/A
County fair attendance (7)	144,136	112,450	123,365	128,675	134,124	125,397	145,295	133,517	146,075	114,031
North Clackamas Parks and Recreation District:										
Swim lesson participants	4,347	4,306	4,481	4,593	5,303	4,247	4,253	4,488	4,739	4,991
Aquatic park total customers served (3)	251,056	246,857	245,905	312,909	271,638	250,863	262,812	253,086	243,907	233,955
Education:										
Library: (9)										
Items in library collection	165,519	168,023	159,743	174,771	144,401	152,525	155,765	162,356	61,520	57,746
Items checked out	1,048,304	961,207	866,505	942,121	943,370	1,001,941	1,079,227	1,108,224	286,533	276,185
Economic development:										
Business and economic development:										
Location proposals to outside companies	20	56	32	11	7	8	7	20	13	25
Acres of shovel ready industrial land added to inventory (8)	25	36	0	0	130.4	0	165	535.93	0	117
Sanitary sewer and surface water										
Tri-City Service District										
Sanitary sewer flows (million gallons/day)	8.83	7.93	9.82	10.66	9.49	9.80	10.80	10.79	12.33	12.40
Sanitary sewer treatment capacity (million gallons/day)	11.00	11.00	11.00	11.00	11.00	11.90	11.90	11.90	11.90	11.90
Clackamas County Service District No. 1										
Sanitary sewer flows (million gallons/day)	8.73	7.88	7.90	8.86	8.61	7.93	6.68	5.88	8.72	8.07
Sanitary sewer treatment capacity (million gallons/day)	10.13	10.13	10.13	10.13	10.13	10.13	10.13	10.13	10.13	10.13
Housing assistance										
Rental assistance monthly vouchers provided	18,548	18,561	19,361	18,885	19,052	18,883	18,381	18,672	19,036	18,552
Golf										
Rounds of golf played at Stone Creek Golf Course (18 holes)	58,300	58,300	55,646	54,435	55,176	57,669	53,702	59,285	55,770	49,253
Number of private events booked at the Stone Creek Event Center	-	-	-	-	-	-	-	17	24	28

Source: Clackamas County Finance Department

Notes:

- (1) NA Numbers were not available.
- (2) 2009 numbers are actuals or based on budget document estimates.
- (3) Measurement has changed for Aquatic Park from open swim patrons to total customers served. The Aquatic Park provides open swim, swim lessons, lap swim, big surf, aquatic exercise, swim team and rental opportunities. This number more accurately reflects operational outcomes.
- (4) Tourism dollars spent data is not available until spring of the next year. 2004 estimate of 435.7 (million) fell short due to the economic downturn. Actual was 384.0 (million). The amount estimated from 2013 to 2014 is decreased because the way they are reporting figures has been adjusted from prior years to report only the actual spending in the destination, not the total direct spending that has been reported in the previous years.
- (5) Change in data reporting yields action outcomes. Lifespan support program no longer exists. These services are now provided the under Family Caregiver Support program.
- (6) This measurement was discontinued in 2006.
- (7) County Fair attendance totals were updated to actuals for each fiscal year (e.g., August 2011 attendance is reflected in FY 2011-2012).
- (8) The State of Oregon changed the shovel ready site program to include designation of "Decision Ready Lands" prior to the Shovel Ready Certification. Therefore the FY 14-15 numbers reflect those lands that are designated or in the process of being designated as "Decision Ready".
- (9) The Sunnyside Library transitioned to the City of Happy Valley on July 1, 2015. Library statistics reflect Oak Lodge Library only.

**CLACKAMAS COUNTY, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Facilities management:										
Building space maintained in square feet	1,144,614	1,088,308	1,160,881	1,155,271	1,176,655	1,001,079	1,249,837	1,278,318	1,278,318	1,278,318
Emergency communications :										
Dispatching stations	14	14	14	14	14	14	14	14	14	14
Public protection										
Sheriff:										
Stations	3	3	3	3	3	3	3	3	3	3
Jail beds available	434	434	434	434	434	434	461	461	465	465
Active patrol vehicles	128	143	149	150	171	176	181	181	180	187
Community corrections:										
Work release beds	114	114	114	114	114	114	114	114	114	114
Juvenile:										
Shelter beds	11	14	14	14	14	12	14	14	14	14
Detention beds	14	14	14	14	14	14	14	16	16	16
Public ways and facilities										
Roads:										
Miles of road treated with asphalt, overlay, base and crack treatment	89	90	40	104	106	73	192	205	169	117
Road miles maintained	1,406	1,407	1,396	1,395	1,395	1,397	1,398	1,397	1,397	1403
Health and sanitation										
Health centers:										
County owned clinics	3	3	3	3	3	3	3	3	3	3
Leased clinics	2	2	1	3	3	3	3	3	5	5
Interview rooms	19	19	17	17	17	17	17	17	20	65
Exam rooms	29	23	23	27	45	45	45	44	45	45
Social services:										
Client interview rooms	7	7	7	7	7	7	7	7	7	7
Culture and recreation										
Parks:										
Acreage maintained	-	-	-	-	-	-	-	1000	1000	1520
Campsites maintained	-	-	-	-	-	-	-	207	207	209
Parks maintained	73	78	79	71	73	74	76	84	84	82
Boat ramps	7	7	7	7	7	6	6	7	7	6
Baseball fields	9	13	14	14	14	14	14	14	14	15
Soccer fields	3	4	6	6	6	6	6	6	6	6
Volleyball courts	-	-	-	-	-	-	-	1	1	3
Education										
Library network:										
Library computer workstations supported throughout County area	460	475	475	475	475	475	251	283	301	319
Sanitary sewer and surface water										
Tri-City Service District										
Sanitary sewer pump stations	4	4	4	4	4	4	4	4	4	4
Sanitary sewer miles of pipe (1)	21.24	21.24	21.24	21.24	21.26	17.25	19.07	19.07	19.07	19.39
Clackamas County Service District No. 1										
Sanitary sewer pump stations	12	16	16	16	16	17	17	17	17	17
Sanitary sewer miles of pipe (2)	308	317	317	317	327	312	320	322	322	324
Housing assistance										
Rental unit months leased to low income tenants (3)	10,438	10,192	10,425	10,511	10,149	9,470	10,220	7,239	7,189	7,370
Lighting										
Service District No. 5 owned streetlights	477	519	535	535	535	537	116	127	127	92

Source: Clackamas County Finance Department

Note:

- (1) In 2013-2014 this chart was revised to reflect new miles of pipe data for the Tri-City Service District.
- (2) In 2013-2014 this chart was revised to reflect new miles of pipe data for the Clackamas County Service District No. 1
- (3) FY 14-15 amount excludes Easton Ridge Tax Credit Project assistance of 3,024.



Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Standards*

Board of Commissioners
Clackamas County, Oregon

We have audited the basic financial statements of Clackamas County, Oregon (the County) as of and for the year ended June 30, 2017 and have issued our report thereon dated January 17, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2017 and 2018.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. Except as discussed below, the results of our test disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH OREGON MINIMUM AUDIT STANDARDS

Excess of Expenditures over Appropriations

As described in Note 2, *Stewardship, Compliance and Accountability*, the results of testing indicated four instances of non-compliance related to excess expenditures over appropriations.

Deficit Fund Balances/Net Position

As described in Note 2, *Stewardship, Compliance and Accountability*, the County reported deficit fund balances in four of its internal service funds. This is not a violation of state laws.

Internal Control Over Financial Reporting

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

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

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

Purpose of this Report

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



For Moss Adams LLP
Eugene, Oregon
January 17, 2018

Appendix C

Book Entry Only System

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Appendix D

Form of Continuing Disclosure Certificate

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ __,000,000

Clackamas County, Oregon Full Faith and Credit Refunding Obligations Series 2018

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by Clackamas County, Oregon (the “Issuer”) in connection with the issuance of the Issuer’s Full Faith and Credit Refunding Obligations, Series 2018 (the “Securities”).

Section 1. Purpose of Certificate. This Certificate constitutes the Issuer’s written undertaking for the benefit of the holders of the Securities and to assist the underwriters of the Securities in complying with paragraph (b)(5) of the United States Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) as amended (the “Rule”).

Section 2. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for purposes of this Certificate, have the meanings herein specified.

“Beneficial Owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Securities, including persons holding Securities through nominees or depositories.

“Commission” means the United States Securities and Exchange Commission.

“MSRB” means the United States Municipal Securities Rulemaking Board or any successor to its functions.

“Official Statement” means the final official statement for the Securities dated _____, 2018.

“Rule” means the Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as it has been and may be amended.

Section 3. Financial Information. The Issuer agrees to provide or cause to be provided to the MSRB, the Issuer’s latest publicly available annual financial statements prepared in accordance with the Oregon Local Budget Law (or any successor statute) and in accordance with generally accepted accounting principles so prescribed by the Governmental Accounting Standards Board (or its successors) and generally of the type included in the Official Statement in Appendix B - Financial Statements.

To the extent not included in its annual financial statements, the Issuer shall also provide information, of the type set forth in the Official Statement, containing: (1) the total real market value and total assessed value of property within the Issuer (as indicated in the records of the county assessor); (2) the amount or rate of property taxes levied by the Issuer for the fiscal year, and the amount of property taxes the Issuer received during the fiscal year; (3) the aggregate tax rate for all ad valorem property taxes levied within the boundaries of the Issuer; and, (4) the total

principal amount of general obligation bonds and other tax-supported obligations of the Issuer which are outstanding at the end of the fiscal year.

Section 4. Timing. The information described in the preceding paragraph shall be provided on or before nine months after the end of the Issuer's fiscal year, commencing with information for fiscal year 2017-2018. The information described in the preceding paragraph will be provided in the form of audited financial statements if they are then available, and otherwise will be provided in the form of unaudited financial statements. The Issuer's current fiscal year ends June 30. The Issuer may adjust this fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing this annual financial information separately, the Issuer may cross-reference to other documents provided to the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in Section 3 on or prior to the date set forth in the preceding paragraph.

If not provided as part of the annual financial information discussed above, the Issuer shall provide the Issuer's audited annual financial statement prepared in accordance with the Oregon Local Budget Law (or any successor statute) and in accordance with generally accepted accounting principles so prescribed by the Governmental Accounting Standards Board (or its successors) when and if available to the MSRB.

Section 5. Material Events. The Issuer agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Security;
7. Modifications to the rights of Security holders, if material;
8. Bond calls, if material, and tender offers;

9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person; (Note: For the purposes of the event identified in this paragraph 12, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.);
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Section 6. Termination. The Issuer's obligation under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. This Certificate, or any provision hereof, shall be null and void if the Issuer (a) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Certificate, or any provision of this Certificate, are invalid, have been repealed retroactively or otherwise do not apply to the Securities; and (b) notifies the MSRB of such opinion and the termination of its obligations under this Certificate.

Section 7. Amendment. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, provided that the following conditions are satisfied:

A. If the amendment relates to the provisions of Sections 3 or 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer with respect to the Securities, or the type of business conducted; and,

B. If this Certificate, as amended, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original

issuance of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

C. The amendment either (i) is approved by the owners of the Securities pursuant to the terms of the governing instrument for the Securities as it is in effect at the time of the amendment or (ii) does not materially impair the interests of the owners or Beneficial Owners of the Securities as determined by a party unaffiliated with the Obligated Person.

In the event of any amendment of a provision of this Certificate, the Issuer shall describe such amendment in its next annual filing pursuant to Section 3 of this Certificate, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of the amendment shall be given in the same manner as for a material event under Section 5 hereof, and (ii) the annual filing pursuant to Section 3 of this Certificate for the first fiscal year that is affected by the change in accounting principles should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Securities Owner's Remedies Under This Certificate. The right of any holder of Securities or Beneficial Owner of Securities to enforce the provisions of this Certificate shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder, and any failure by the Issuer to comply with the provisions of this undertaking shall not be an event of default with respect to the obligations hereunder.

Section 9. Form of Information. All information required to be provided under this certificate will be provided in an electronic format as prescribed by the MSRB and with the identifying information prescribed by the MSRB.

Section 10. Submitting Information Through EMMA. So long as the MSRB continues to approve the use of the Electronic Municipal Market Access ("EMMA") continuing disclosure service, any information required to be provided to the MSRB under this Certificate may be provided through EMMA. As of the date of this Certificate, the web portal for EMMA is emma.msrb.org.

Section 11. Dissemination Agent. The Issuer may, from time to time, engage or appoint an agent to assist the Issuer in disseminating information hereunder (the "Dissemination Agent"). The Issuer may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 12. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Dated as of the ____ day of _____, 2018.

Clackamas County, Oregon

County Official

Appendix E

Form of Financing Agreement and Form of Escrow Agreement

FINANCING AGREEMENT

by and between

U.S. Bank National Association
as Escrow Agent

and

Clackamas County, Oregon
as Borrower

Dated as of _____, 2018

\$ _____

Clackamas County, Oregon
Full Faith and Credit Refunding Obligations
Series 2018

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EXHIBIT A: Financing Payments Schedule

FINANCING AGREEMENT

This Financing Agreement is dated as of _____, 2018, and is entered into by and between U.S. Bank National Association, as Escrow Agent, and Clackamas County, Oregon (the “County”), as the borrower. The parties hereby agree as follows:

1. Recitals, Definitions and Rules of Construction.

1.1 Recitals.

1.1(A) The County recites that the County is authorized to finance or refinance real and personal property by this Financing Agreement pursuant to ORS 271.390, and executes this Financing Agreement to refinance the Projects, as defined below.

1.1(B) The County and the Escrow Agent recite:

(1) The Escrow Agent desires to loan the Financing Amount to the County to refinance the Projects, but only from the proceeds of the Obligations.

(2) The County desires to borrow the Financing Amount from the Escrow Agent to refinance the Projects as provided in this Financing Agreement.

1.2 Definitions.

Unless the context clearly requires otherwise: capitalized terms not defined in this Section shall have the meanings defined for such terms in the Escrow Agreement; and, capitalized terms used in this Financing Agreement which are defined in this Section shall have the following meanings:

“Additional Charges” means the amounts specified as such pursuant to Section 3.2(E) of this Financing Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, including regulations, rulings and judicial decisions promulgated thereunder.

“Escrow Agreement” means the Escrow Agreement relating to the County’s Full Faith and Credit Refunding Obligations, Series 2018 which is dated as of _____, 2018, as it may be amended or supplemented.

“Financing Agreement” means this Financing Agreement and its exhibits, including any amendments.

“Financing Amount” means \$_____.

“Financing Default” means any event described in Section 5.1 of this Financing Agreement.

“Financing Payments” means the payments described in Section 3.2(B) of this Financing Agreement.

“Obligations” means the Full Faith and Credit Refunding Obligations, Series 2018 which are issued pursuant to the Escrow Agreement.

“Payment Date” means the date upon which any Financing Payment is due and payable, as provided in Section 3.2(B) of this Financing Agreement, or the date on which any Financing Payment will be prepaid in accordance with the Escrow Agreement and this Financing Agreement.

“Projects” means the refunding of projects funded by the Refunded Obligations, as defined in the Escrow Agreement and as described in the County’s Order No. _____ adopted November 22, 2017, and payment of costs related to the financing.

“Record Date” means the 15th day of the month preceding a payment date.

1.3 Rules of Construction.

References to section numbers in documents which do not specify the document in which the section is located shall be construed as references to section numbers in this Financing Agreement.

2. Representations, Warranties and Covenants.

2.1 Representations, Warranties and Covenants of County.

The County represents, covenants and warrants for the benefit of the Escrow Agent and its assignees as follows:

2.1(A) The County is a properly incorporated and existing county under the laws of the State of Oregon.

2.1(B) The County is authorized under ORS 271.390, 287A.105, 287A.315, 287A.360 to 287A.375 and the other applicable provisions of ORS Chapter 287A to enter into this Financing Agreement and to perform all of its obligations under this Financing Agreement.

2.1(C) The County has taken all action which is required to ensure the enforceability of this Financing Agreement in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally).

2.1(D) The County has complied and will comply with all public bidding or other procurement requirements which apply to this Financing Agreement and the acquisition and construction of the Projects refinanced with this Financing Agreement.

2.1(E) The estimated weighted average life of this Financing Agreement does not exceed the estimated dollar weighted average life of the Projects.

2.2 Representations, Warranties and Covenants of Escrow Agent.

The Escrow Agent represents, covenants and warrants for the benefit of the County as follows:

2.2(A) The Escrow Agent is a national banking association, duly qualified to transact business of the type contemplated by this Financing Agreement and the Escrow Agreement in the State of Oregon, and has all necessary power to own its properties and assets and to carry on its business as now conducted.

2.2(B) The consummation of the transactions contemplated by this Financing Agreement will not violate the provisions of, or constitute a breach or default under, the articles of incorporation, charter or bylaws of the Escrow Agent or any agreement to which the Escrow Agent is a party.

2.2(C) The execution, delivery and performance by the Escrow Agent of this Financing Agreement and all related agreements, instruments and documents to which the Escrow Agent is a party have been duly authorized and constitute legal, valid and binding obligations of the Escrow Agent, enforceable against the Escrow Agent in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

2.3 Tax Covenants.

To maintain the exclusion of the interest component of each Financing Payment from gross income under the Code, the County covenants for the benefit of the Owners to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code, and with all covenants and agreements in the certificates or other documents executed by the County in connection with delivery of this Financing Agreement and the Obligations which relate to the excludability of the interest components from gross income, so that the interest components of the Financing Payments are excludable from gross income under the Code. The Escrow Agent hereby agrees to comply with any instructions given by the County to maintain the exclusion of the interest component of each Financing Payment from gross income under the Code. The covenants in this Section shall survive the payment of the Obligations and the interest thereon, including any payment or defeasance thereof pursuant to the Escrow Agreement.

3. The Loan and the Financing Payments.

3.1 The Loan.

3.1(A) The Escrow Agent agrees to loan the County an amount equal to the Financing Amount, but solely from the proceeds of the sale of the Obligations as provided in this Financing Agreement and the Escrow Agreement. This loan from the Escrow Agent to the County will be deemed to have been made when the Escrow Agent makes the deposits and transfers to the County which are specified in Section 3.2 of the Escrow Agreement.

3.1(B) The County agrees to borrow the Financing Amount from the Escrow Agent, and to repay that Financing Amount by making the Financing Payments and paying the Additional Charges as provided in this Financing Agreement. This Financing Agreement shall commence on the Closing Date and shall end on the date the Financing Payments and Additional Charges have been paid or defeased in accordance with Section 11.1 of the Escrow Agreement.

3.2 The Financing Payments and Additional Charges.

3.2(A) The County agrees to pay the Escrow Agent, its successors or assigns, without deduction or offset of any kind, as payment for the loan made under this Financing Agreement, the Financing Payments and the Additional Charges.

3.2(B) The County shall pay the Financing Amount to the Escrow Agent in semiannual Financing Payments which consist of the annual principal installments shown in Exhibit A, together with interest on those principal installments, payable semiannually on December 1 and June 1 of each year, commencing June 1, 2018, at the rates shown in Exhibit A.

3.2(C) To secure the performance of its obligation to pay Financing Payments, the County will deposit or have deposited an amount equal to each Financing Payment with the Escrow Agent by each scheduled Payment Date. Each deposit made under this Section shall be applied toward the corresponding Financing Payment that is due from the County under Section 3.2(B) of this Financing Agreement.

3.2(D) In determining the amount of the deposit which is due from the County under Section 3.2(C) of this Financing Agreement, the County shall be credited on the deposit date for any amounts then on hand in the Payment Account and available to pay the Financing Payments (including accrued interest, and any other amounts to be deposited therein) and the County shall only be required to pay the difference, if any, between the amount of the deposit then due and the amounts then on hand in the Payment Account.

3.2(E) In addition to the Financing Payments, the County covenants to pay the following Additional Charges, as and when the same become due and payable:

- (1) all applicable rebates due in connection with this Financing Agreement and the Obligations which are required to be paid under Section 148 of the Code, and which shall be paid by the County to the United States Department of Treasury when due; and
- (2) the reasonable fees, costs and expenses of the Escrow Agent, including, to the extent permitted by law, all costs and expenses which the Escrow Agent may incur because of any default by the County under this Financing Agreement, including reasonable attorneys' fees and costs of suit or action at law to enforce the terms and conditions of this Financing Agreement, and the fees, costs and expenses of the Escrow Agent as

provided in the Escrow Agreement and the reasonable fees, costs and expenses of any successor Escrow Agent.

3.2(F) If a deposit required by Section 3.2(C) of this Financing Agreement is not made in full on the date it is due, the Escrow Agent shall notify the County immediately, and the County shall transfer to the Escrow Agent an amount equal to the deficiency.

3.3 Prepayment.

3.3(A) No Optional Prepayment. The County is not permitted to optionally prepay the Financing Payments.

3.3(B) [Mandatory Prepayment.

The principal components of Financing Payments that are due on June 1 in the year[s] 20__ and 20__ are subject to mandatory prepayment (in such manner as the Escrow Agent and DTC will determine or by lot by the Escrow Agent) on June 1 of the following years in the following principal amounts at a price of par, without premium, plus accrued interest to the date of prepayment:

<u>Year</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount (\$)</u>
--------------------------------	--

*

*Final maturity]

3.3(C) Notice of Prepayment. The County shall give notice of prepayment of the principal component of Financing Payments to the Escrow Agent not later than 5 calendar days prior to the date the notice is scheduled to be sent to DTC.

3.4 Obligation to Pay Financing Payments is Unconditional; Pledge of Full Faith and Credit.

3.4(A) Section 10, Article XI of the Oregon Constitution prohibits counties from creating any debt or liabilities which shall singly or in the aggregate, with previous debts or liabilities, exceed the sum of \$5,000, unless those debts or liabilities are incurred to carry out purposes authorized by statute, and do not exceed limits fixed by statute. ORS 287A.105 authorizes counties to incur debts or liabilities under ORS 271.390 and similar statutes if the debts or liabilities do not exceed one percent of the real market value of all taxable property in the county, or any lesser limit on bonded indebtedness in the county's charter.

- (1) The County does not have a charter limiting the issuance of bonded indebtedness.
- (2) The County has issued bonded indebtedness that is subject to the limit of 287A.105 prior to the execution of this Financing Agreement, and there is not more than

\$87,240,000 in aggregate principal amount of borrowings currently outstanding, before the issuance of this Financing Agreement.

(3) The real market value of the County for Fiscal Year 2018 is \$69,873,613,727, and the total amount of borrowings subject to the limit described in ORS Section 287A.105 which the County may have outstanding is \$698,736,137.

(4) The proceeds of this Financing Agreement will be used to defease the Refundable Obligations on the date the Obligations are issued.

(5) When this Financing Agreement is executed, after taking into account the defeasance, the County will have \$[new outstanding amount] in aggregate principal amount of borrowings outstanding that are subject to the limit of ORS 287A.105.

(6) \$[new outstanding amount] is less than \$698,736,137 (one percent of the real market value of all taxable property within the County), therefore the County is within the limit described in ORS 287A.105.

3.4(B) The obligation of the County to make Financing Payments shall be unconditional, and the County shall pay the Financing Payments from any and all of its legally available funds. Pursuant to ORS 287A.315, the County hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the Financing Payments and other amounts due under this Financing Agreement.

3.4(C) The County hereby agrees that its obligation to pay all Financing Payments and Additional Charges is absolute and unconditional, and shall not be subject to any of the following:

- (1) any setoff, counterclaim, recoupment, defense or other right which the County may have against the Escrow Agent, any contractor or anyone else for any reason whatsoever;
- (2) any insolvency, bankruptcy, reorganization or similar proceedings by the County;
- (3) abatement through damage, destruction or non-availability of the Projects refinanced with this Financing Agreement; or
- (4) any other event or circumstance whatsoever, whether or not similar to any of the foregoing.

3.5 Estoppel.

The County hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Financing Agreement and the Escrow Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Financing Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Financing Agreement is a valid and binding obligation of the County which is enforceable against the

County in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

4. Title and Assignment.

4.1 Title.

The Escrow Agent and the Owners shall have no lien on, or security interest in, the Projects refinanced with this Financing Agreement.

4.2 Assignment by the Escrow Agent.

The Escrow Agent may assign its rights under this Financing Agreement only as specifically permitted by the Escrow Agreement.

4.3 Assignment by the County.

The rights and obligations of the County under this Financing Agreement may be assigned or transferred to any entity which succeeds or replaces the County, or any entity into which the County may be merged or consolidated, but only if the assignee or transferee assumes all of the County's obligations under this Financing Agreement. The rights and obligations of County under this Financing Agreement shall not otherwise be assigned or transferred.

5. Financing Defaults and Remedies.

5.1 Financing Defaults Defined.

Any one or more of the following events shall constitute Financing Defaults:

5.1(A) Failure by the County to pay any Financing Payments required to be paid hereunder in the amount and at the time specified in this Financing Agreement.

5.1(B) Except as provided in Section 5.2 of this Financing Agreement, failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Financing Agreement, but only if the failure continues for a period of 60 days after written notice to the County by the Escrow Agent, specifying such failure and requesting that it be remedied. The Escrow Agent may agree in writing to an extension of this 60 day period. In addition, if the failure stated in the notice cannot be corrected within the applicable period, the Escrow Agent will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County within the applicable period and diligently pursued until the default is corrected.

5.1(C) The commencement by the County of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or an assignment by the County for the benefit of its creditors, or the entry by the County into an agreement of

composition with creditors, or the taking of any action by the County in furtherance of any of the foregoing.

5.2 Force Majeure.

If by reason of *force majeure*, the County is unable in whole or in part to carry out its agreement herein contained, other than the obligation of the County to pay the Financing Payments when due, the County shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall mean, without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of the public enemy; orders or restraints of any kind of the government of the United States of America or the State of Oregon or of the cities wherein the County is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the County.

5.3 Remedies on Financing Default.

5.3(A) Whenever a Financing Default shall have happened and be continuing, the Escrow Agent, upon receipt of indemnity and fulfillment of the conditions contained in Sections 5.8(B) and 9.2 of the Escrow Agreement, shall have the right, at its sole option without any further demand or notice, to exercise any remedy available at law or in equity; however, the Financing Amount and the Financing Payments shall not be subject to acceleration.

5.3(B) The Escrow Agent shall exercise its rights hereunder only in accordance with the Escrow Agreement. No remedy referred to in this Section is exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to the Escrow Agent at law or in equity. In the event that the Escrow Agent exercises or begins to exercise any one or more of such remedies, such action shall not preclude the simultaneous or later exercise by the Escrow Agent of any other remedies. No express or implied waiver by the Escrow Agent of a Financing Default shall constitute a waiver of any other or subsequent Financing Default.

6. Miscellaneous.

6.1 Notices.

All notices and other communications required by the Agreement shall be considered properly given if they are delivered by first-class U.S. mail to the following addresses (unless the addressee has previously notified the other part in writing of a change of address):

To the Escrow Agent at:

U.S. Bank National Association
555 S.W. Oak Street, PD-OR-P7TD
Portland, OR 97204
Attention: Global Corporate Trust Services

To the County at:

Clackamas County
2051 Kaen Road
Oregon City, OR 97045
Attention: Finance Director

6.2 Binding Effect.

This Financing Agreement shall inure to the benefit of and shall be binding upon the Escrow Agent and the County and their respective successors and assigns.

6.3 Severability.

In the event any provisions of this Financing Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

6.4 Amendments.

This Financing Agreement may be amended only as provided in the Escrow Agreement.

6.5 Execution in Counterparts.

This Financing Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute the same instrument.

6.6 Applicable Law.

This Financing Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Financing Agreement or the transactions contemplated hereby shall be brought in an appropriate court of the State of Oregon in Clackamas County, Oregon.

6.7 Headings.

The headings, titles and table of contents in this Financing Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Financing Agreement. All references herein to “Sections,” and other subdivisions which do not specify the document in which the subdivision is located shall be construed as references to this Financing Agreement.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF, the Escrow Agent has executed this Financing Agreement in its corporate name by its duly authorized officer and the County has caused this Financing Agreement to be executed in its name by its duly authorized County Official, all as of the date first above written.

U.S. Bank National Association,
as Escrow Agent

Authorized Officer

Clackamas County, Oregon

County Official

EXHIBIT A
Financing Payments

[To follow]

<u>Period</u>				<u>Total Debt</u>
<u>Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Service</u>