

**\$18,875,000**

**Clackamas County, Oregon**  
**Full Faith and Credit Refunding Obligations, Series 2012**

**DATED:** September 6, 2012 ("Date of Delivery")

**DUE:** June 1, as shown below on the inside cover

**PURPOSE** — The \$18,875,000 Full Faith and Credit Refunding Obligations, Series 2012 (the "Obligations") are being issued by Clackamas County, Oregon (the "County"). The Obligations are being issued to refinance all or a portion of the County's outstanding Full Faith and Credit Obligations, Series 2003, and Full Faith and Credit Obligations, Series 2004 that financed capital projects, and to pay the costs of issuance of the Obligations. See "Purpose and Use of Proceeds" herein.

**MOODY'S RATING** — "Aa2." 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 (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 December 1, 2012 and semiannually thereafter on June 1 and December 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 paying agent, registrar and escrow agent, initially The Bank of New York Mellon Trust Company, N.A. (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 15<sup>th</sup> day (the "Record Date") of the month preceding a payment date.

---

**MATURITY SCHEDULE — SEE INSIDE COVER**

---

**PREPAYMENT** — The Obligations are subject to 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 Obligations") are to be secured by and payable from lawfully available funds of the County, including the proceeds of the Financing Agreement and any taxes levied by and for the County within the restrictions of Sections 11 and 11b, Article XI of the Oregon Constitution. 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 and corporations under the Code; such Interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. 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 the Date of Delivery.

---

*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.*

# Clackamas County, Oregon

## Full Faith and Credit Refunding Obligations, Series 2012

DATED: Date of Delivery

DUE: June 1, as shown below

### MATURITY SCHEDULE –

Due June 1	Amounts	Interest Rates	Yields	CUSIP® 178890	Due June 1	Amounts	Interest Rates	Yields	CUSIP® 178890
2013	\$ 200,000	2.500%	0.250%	KB4	2021	\$ 910,000	5.000%	1.950%	KK4
2014	320,000	2.500	0.380	KC2	2022	985,000	5.000	2.090	KL2
2015	585,000	2.500	0.500	KD0	2023	1,060,000	4.000	2.250 <sup>(1)</sup>	KM0
2016	630,000	2.500	0.630	KE8	2024	1,135,000	4.000	2.380 <sup>(1)</sup>	KN8
2017	675,000	2.500	0.850	KF5	2025	845,000	4.000	2.500 <sup>(1)</sup>	KP3
2018	710,000	4.000	1.150	KG3	2026	915,000	4.000	2.600 <sup>(1)</sup>	KQ1
2019	770,000	5.000	1.450	KH1	2029	1,110,000	3.000	3.038	KT5
2020	835,000	5.000	1.730	KJ7					

\$2,030,000 3.000% Term Bond due June 1, 2028 @ 3.000% Yield; CUSIP No. 178890KS7  
 \$2,430,000 3.000% Term Bond due June 1, 2031 @ 3.070% Yield; CUSIP No. 178890KV0  
 \$2,730,000 3.125% Term Bond due June 1, 2033 @ 3.191% Yield; CUSIP No. 178890KX6

(1) Priced to the June 1, 2022 call date.

*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.*

*Certain information contained herein has been obtained from the County and other sources which are believed to be reliable, but the accuracy or completeness of such information is not guaranteed and such information is not to be construed to be a representation of the County, or Seattle-Northwest Securities Corporation (the “Financial Advisor”) or the Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.*

*The CUSIP® numbers herein are provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by Standard and Poor’s, a division of The McGraw-Hill Companies, 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 Underwriter take any responsibility for the accuracy of such CUSIP numbers.*

*Web addresses contained in this Official Statement are inactive textual references, not hyperlinks, and any websites, by such reference, are not incorporated herein.*

*No dealer, broker, salesman or other person has been authorized by the County or the Underwriter 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 as having been authorized by any of the foregoing. 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 prices at which the Obligations are offered to the public by the Underwriter (and the yields resulting therefrom) may vary from the initial public offering prices appearing on this inside cover page hereof. In addition, the Underwriter may allow concessions or discounts from such initial public offering prices to dealers and others. In connection with the offering of the Obligations, the Underwriter may effect transactions that stabilize or maintain the market price of the Obligations at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.*

**Clackamas County**  
2051 Kaen Road  
Oregon City, OR 97045  
503-742-5400

**Board of County Commissioners**

Charlotte Lehan	Chair
Jim Bernard	Commissioner
Jamie Damon	Commissioner
Ann Lininger	Commissioner
Paul Savas	Commissioner

**Administrative Staff**

Steve Wheeler	County Administrator
Nancy Newton	Deputy County Administrator
Laurel Butman	Deputy County Administrator
Marc Gonzales	Director, Department of Finance

**Special Counsel**

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

**Financial Advisor**

Seattle-Northwest Securities Corporation  
Portland, Oregon  
(503) 275-8300

**Paying Agent, Registrar and Escrow Agent**

The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, CA  
(213) 630-6408

[this page intentionally left blank]

## Table of Contents

	<u>Page</u>
<b>Description of the Obligations</b> .....	1
Financing Amount, Date, Interest Rates and Maturities .....	1
Disbursement Features .....	1
Prepayment Provisions .....	2
Default and Remedies .....	3
Authorization for Issuance .....	3
<b>Purpose and Use of Proceeds</b> .....	4
Purpose .....	4
Refunding Procedure .....	4
Verification of Mathematical Calculations .....	5
Sources and Uses of Funds .....	6
<b>Security for the Obligations</b> .....	6
General .....	6
Ratings .....	7
<b>Bonded Indebtedness</b> .....	7
Debt Limitation .....	7
Outstanding Long-Term Debt .....	8
Debt Service Requirements .....	9
Summary of Overlapping Debt .....	10
Debt Ratios .....	11
Debt Payment Record .....	11
Future Financings .....	11
<b>Revenue Sources</b> .....	11
Property Taxes .....	11
Taxable Property Values .....	14
Fiscal Year 2012 Representative Levy Rate .....	15
Tax Collection Record .....	16
Major Taxpayers .....	17
Other Taxes .....	17
Local Government Fees .....	17
State of Oregon Funding .....	17
Federal Funding .....	18
<b>The County</b> .....	18
General Description .....	18
Staff .....	18
The Board of County Commissioners .....	19
Key Administrative Officials .....	19
<b>Financial Factors</b> .....	20
Financial Reporting and Accounting Policies .....	20
Auditing .....	21
Governmental Activities - Statement of Net Assets .....	22
Governmental Activities - Statement of Revenues, Expenses and Changes in Net Assets .....	23
General Fund Balance Sheet .....	24
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance .....	25
Budgetary Process .....	25
General Fund Adopted Budget .....	26
Investments .....	26
Pension System .....	27
Other Postemployment Benefits .....	29
Risk Management .....	30
<b>Demographic Information</b> .....	30
<b>The Initiative and Referendum Process</b> .....	35
Initiative Process .....	35
Future Statewide Initiative Measures .....	36
<b>Legal Matters and Litigation</b> .....	36
Legal Matters .....	36
Litigation .....	36
<b>Tax Matters</b> .....	37
Opinion of Special Counsel .....	37
Certain Ongoing Federal Tax Requirements and Covenants .....	37
Certain Collateral Federal Tax Consequences .....	38
Original Issue Discount .....	38
Bond Premium .....	38
Information Reporting and Backup Withholding .....	39
Miscellaneous .....	39

## Table of Contents, Continued

	<u>Page</u>
Continuing Disclosure.....	39
Financial Advisor.....	40
Purchaser of the Obligations .....	40
Certificate with Respect to Official Statement.....	40
<b>Appendices:</b>	
Form of Special Counsel Opinion.....	Appendix A
Financial Statements.....	Appendix B
Book-Entry Only System.....	Appendix C
Form of Continuing Disclosure Certificate.....	Appendix D
Form of Financing Agreement and Form of Escrow Agreement .....	Appendix E

**OFFICIAL STATEMENT**  
**Clackamas County, Oregon**  
**Clackamas, Oregon**

**\$18,875,000**

**Full Faith and Credit Refunding Obligations, Series 2012**

Clackamas County, Oregon (the "County"), a municipal corporation 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 \$18,875,000 aggregate principal amount of Full Faith and Credit Refunding Obligations, Series 2012 (the "Obligations"), dated the Date of Delivery. This Official Statement, which includes the cover page, inside cover page, Official Notice of Sale, bid form and appendices, provides information concerning the County and the Obligations.

The information set forth herein has been obtained from the County and other sources that are believed to be reliable. Seattle-Northwest Securities Corporation (the "Financial Advisor") has relied on the County with respect to the accuracy and sufficiency of such information and such information is not to be construed as a representation, warranty or guarantee by the Financial Advisor. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

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 Financing Agreement," which is attached hereto and incorporated by reference herein.

**Description of the Obligations**

The Obligations evidence and represent undivided proportionate interests of the Owners 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 The Bank of New York Mellon Trust Company, N.A., as paying agent, registrar and escrow agent (the "Escrow Agent"). 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") is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2012, 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.

*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 DTC ceases to act as Depository for the Obligations the County will request the Escrow Agent to, and the Escrow Agent and the County shall, amend this 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 this 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 maturing in years 2013 through 2022, inclusive, are not subject to optional prepayment prior to maturity. The Obligations maturing on June 1, 2023 and on any date thereafter are subject to prepayment at the option of the County prior to their stated maturity dates at any time on or after June 1, 2022, as a whole or in part, and if in part, with maturities to be selected by the County at a price of par, plus accrued interest, if any, to the date of prepayment. A Term Obligation subject to optional prepayment and redeemed in part will have the principal amount within the respective mandatory prepayment dates selected by the County.

For as long as the Obligations are in book-entry only form, if fewer than all of the Obligations of a maturity are called for prepayment, the selection of Obligations within a maturity to be redeemed shall be made by DTC in accordance with its operational procedures then in effect. See Appendix C attached hereto. If the Obligations are no longer held in book-entry only form, then the Escrow Agent would select Obligations for prepayment by lot.

*Mandatory Prepayment.* If not previously redeemed under the provisions for optional prepayment, the Term Obligations maturing on June 1 in the years 2028, 2031 and 2033 are subject to mandatory prepayment (in such manner as the Escrow Agent and DTC will determine or by lot by the Paying Agent) on June 1 of the following years in the following principal amounts, at a price of par plus accrued interest to the date of prepayment.

2028 Term Bond	
Due June 1	Amount
2027	\$ 985,000
2028 <sup>(1)</sup>	1,045,000
	<u>\$ 2,030,000</u>

2031 Term Bond	
Due June 1	Amount
2030	\$ 1,180,000
2031 <sup>(1)</sup>	1,250,000
	<u>\$ 2,430,000</u>

2033 Term Bond	
Due June 1	Amount
2032	\$ 1,325,000
2033 <sup>(1)</sup>	1,405,000
	<u>\$ 2,730,000</u>

(1) Maturity.

*Notice of Prepayment (Book-Entry).* So long as the Obligations are in book-entry only form, the Escrow Agent shall notify DTC of an early prepayment no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for prepayment, and shall provide such information as required by a letter of representation submitted to DTC in connection with the issuance of the Obligations.

*Notice of Prepayment (No Book-Entry).* During any period in which the Obligations are not in book-entry only form, unless waived by any Owner of the Obligations (as defined herein) to be redeemed, official notice of any prepayment of Obligations shall be given by the Escrow Agent on behalf of the County by mailing a copy of an official prepayment notice by first class mail, postage prepaid, no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for prepayment, to the Owners of the Obligations to be redeemed at the address shown on the Obligation register or at such other address as is furnished in writing by such Owner to the Escrow Agent.

*Conditional Notice.* Any notice of optional redemption to the Escrow Agent or to the owners of the Obligation may state that the optional redemption is conditional upon receipt by the Escrow Agent 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 Registrar to affected owners of the Obligations as promptly as practicable upon the failure of such condition or the occurrence of such other event.

### **Default and Remedies**

The occurrence of one or more of the following shall constitute an Event of Default:

- a. Failure by the County to pay any Financing Payment when due; or
- b. Failure by the County to observe and perform any other covenant, condition or agreement on its part to be observed or performed for a period of sixty (60) days after written notice to the County by the Escrow Agent specifying such failure and requesting that it be remedied; unless the Escrow Agent shall agree in writing to an extension of such time prior to its expiration; provided however, that 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.

The Owners of fifty-one (51%) percent or more of the principal amount of Obligations then Outstanding may waive any Event of Default and its consequences, except an Event of Default as described in (a) of this Section.

Upon the occurrence and continuance of any Event of Default, the Escrow Agent may proceed, and upon written request of the Owners not less than a majority in aggregate principal amount of Obligations then Outstanding shall take whatever action at law or in equity 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 Agreement or by law. However, the Financing Amount and the Financing Payments shall not be subject to acceleration.

No remedy in the Escrow Agreement conferred upon or reserved to Escrow Agreement is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Escrow Agreement to the Escrow Agent or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Escrow Agent to exercise any remedy reserved to it, it shall not be necessary to give any notice other than such notice as may be required by the Escrow Agreement or by law.

### **Authorization for Issuance**

The County is authorized pursuant to the Constitution and laws of the State, namely, Oregon Revised Statutes ("ORS") Section 271.390 and 287A.105, to enter into financing agreements, lease-purchase agreements or other contracts of purchase to finance or refinance real or personal property and to authorize certificates of participation in the payment obligations of the County under such financing agreements, lease-purchase agreements or other contracts of purchase.

The Obligations are being issued pursuant to Order No. 2012-71 (the "Order") adopted by the County's Board of County Commissioners (the "Board") on June 28, 2012 that authorized the County to enter into the Financing Agreement, and 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.

Pursuant to the Order, the County has pledged to use all of its general non-restricted revenues and other funds which may be available for that purpose, including any taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon (“Article XI, Sections 11 and 11b”) to generate funds sufficient to make all Financing Payments.

The County previously issued the following obligations to finance the following real and personal property (the “Projects”):

Issue	Dated Date	Original Principal Amount	Purpose
Full Faith and Credit Obs., Series 2003	06/15/03	\$ 17,820,000	Public Services Bldg. & Emergency Operations Ctr.
Full Faith and Credit Obs., Series 2004	06/01/04	5,040,000	Public Safety Training Center

A portion of the proceeds of the Obligations will be used to refund all or a portion of the Series 2003 and Series 2004 Obligations detailed above (the “Refunded Obligations”) and to pay the costs of issuance of the Obligations. The advance refunding of the Refunded Obligations is contingent upon the County’s receipt of actual, cumulative debt service savings of not less than the amount required under Oregon law and advance refunding plan approval by the State Treasurer.

### **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 The Bank of New York Mellon Trust Company, N.A., as escrow agent thereunder (the “Escrow Agent”) to refund the Refunded Obligations, as shown below:

### Refunded Obligations

Issue	Total Amount Outstanding	Refunded Maturities	Amount Refunded	Call Date	Call Price <sup>(1)</sup>
Series 2003	\$ 16,440,000	2014-2033	\$ 16,150,000	06/01/13	100%
Series 2004	3,510,000	2015-2024	3,050,000	06/01/14	100%
Series 2003			Series 2004		
Refunded Maturities	Amount Refunded	CUSIP 178890	Refunded Maturities	Amount Refunded	CUSIP 178890
2014	\$ 325,000	EV7	2015	\$ 245,000	GX1
2015	355,000	EW5	2016	255,000	GY9
2016	395,000	EX3	2017	270,000	GZ6
2017	430,000	EY1	2018	280,000	HA0
2018	470,000	EZ8	2019	295,000	HB8
2019	515,000	FA2	2020	310,000	HC6
2020	560,000	FB0	2021	325,000	HD4
2021	610,000	FC8	2022	340,000	HE2
2022	665,000	FD6	2023	355,000	HF9
2023	720,000	FE4	2024	375,000	HG7
2024	780,000	FF1			
2028 Term	3,785,000	FK0			
2033 Term	6,540,000	FQ7			

(1) 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 pursuant to an escrow deposit agreement (the "Escrow Deposit Agreement"). The maturing principal of the Government Obligations, interest earned thereon, and a necessary cash balance, if any, will provide payment of interest on the Refunded Obligations beginning December 1, 2012, and provide funds sufficient to redeem all remaining principal on the Call Dates 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 public accountants (the "Verification Agent"), will deliver to the County, on or before the Date of Delivery, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) 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 of the Refunded Obligations and (b) the mathematical computations of yield used by Special Counsel to support its opinion that interest on the Obligations will be excluded from gross income for federal income tax purposes.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the County and its representatives. The Verification Agent has restricted its procedures to recalculating the computations provided by the County and its representatives and has not evaluated or examined the assumptions or information used in the computations.

## Sources and Uses of Funds

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

### Sources and Uses of Funds

<b>Sources of Funds</b>	
Par Amount of Obligations	\$ 18,875,000
Net Original Issue Premium	1,580,221
Total Sources of Funds	<u>\$ 20,455,221</u>
<b>Uses of Funds</b>	
Escrow Requirements	\$ 20,100,572
Underwriting and Issuance Costs	354,649
Total Uses of Funds	<u>\$ 20,455,221</u>

## 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.

In the Order, the County has covenanted that the Financing Payments are payable from the general non-restricted revenues of the County and other funds which may be lawfully available for that purpose, including any taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon.

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 or municipal corporation. The Obligations are secured solely by the Financing Payments and any sums realized in connection with the remedies available upon the occurrence of an event of default all as provided in the Financing 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 FINANCED 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 Project; 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 to receive a proportionate share of the principal component of the Financing Payments that is due on maturity date of the Obligation, plus a proportionate share of the interest that is due on that principal component.

### Ratings

As noted on the cover page of this Official Statement, Moody’s Investors Service has assigned its rating of “Aa2” to the Obligations. The rating reflects only the views of the rating agency and an explanation of the significance of the rating may be obtained from the rating agency. 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 rating will be likely to have an adverse effect on the market price of the Obligations.

## Bonded Indebtedness

### Debt Limitation

*Full Faith and Credit Obligations.* Oregon counties are permitted by ORS 287A.105 to pledge their full faith and credit for obligations as long as the outstanding amount of those obligations does not exceed one percent of real market value of the County or any lesser limit described in a charter. The County does not have a charter, and therefore does not have a lesser limit. **The Obligations are full faith and credit obligations that are issued within the limits of ORS 287A.105 as shown below.**

Real Market Value (Fiscal Year 2012) <sup>(1)</sup>	\$ 45,749,197,720
<b>Debt Capacity</b>	
Full Faith and Credit Obligations Debt Capacity (1.00% of RMV)	\$ 457,491,977
Less: Outstanding Debt Subject to Limit	<u>(96,890,000)</u> <sup>(2)</sup>
Remaining Full Faith and Credit Obligation Debt Capacity	\$ 360,601,977
Percent of Capacity Issued	21%

(1) 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 full faith and credit obligations of the County, including this issue but excluding the Refunded Obligations expected to be defeased with proceeds of the Obligations. *Source: Clackamas County Audited Financial Reports for the Fiscal Year Ended June 30, 2011, and this issue.*

ORS 238.692 to 238.698 authorize counties to issue full faith and credit obligations to finance pension liabilities. The limits in ORS 287A.105 do not apply to obligations issued to finance pension liabilities.

*General Obligation Bonds.* ORS 287A.100 establishes a limit on general obligation bonds. Counties may issue an aggregate principal amount up to two percent of the Real Market Value of all taxable properties within the county. **The County has no outstanding general obligation bonds and the Obligations are not general obligation bonds and are not subject to this debt limitation.**

*Pension Bonds.* ORS 238.694 authorizes counties to issue full faith and credit obligations to pay pension liabilities without limitation as to principal amount. 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 County has no outstanding pension bonds and 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

<b>Governmental Activities</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Amount Issued</b>	<b>Amount Outstanding</b>
<i>Full Faith and Credit Obligations:</i>				
Series 2003 (Public Services Building & EOC)	06/23/03	06/01/13 <sup>(2)</sup>	\$ 17,820,000	\$ 16,440,000
Less: Refunded Bonds				(16,150,000)
Series 2003B (Stone Creek Golf Course)	09/09/03	09/01/23	6,355,000	4,355,000
Series 2004 (Public Safety Training Center)	06/03/04	06/01/14 <sup>(2)</sup>	5,040,000	3,510,000
Less: Refunded Bonds				(3,050,000)
Series 2007 (various County projects)	03/07/07	06/01/27	49,900,000	41,360,000
Series 2009 (Sheriff projects & DSB)	12/01/09	06/01/29	34,795,000	31,550,000
Series 2012 Refunding Bonds <sup>(1)</sup>	09/06/12	06/01/33	18,875,000	18,875,000
Total Full Faith & Credit Obligations				<u>96,890,000</u>
<i>Limited Tax Assessment Bonds</i>				
Series 2000 <sup>(2)</sup>	08/17/00	05/01/20	5,143,000	\$ <u>1,400,000</u>
<b>Total Outstanding Debt</b>				<b>\$ <u>98,290,000</u></b>

(1) This issue.

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

Source: Clackamas County, Oregon Audited Financial Reports for the Fiscal Year Ended June 30, 2011.

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

Fiscal Year	Outstanding Bonds		Less: Refunded Obligations		2012 Obligations		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
2013	\$ 4,205,000	\$ 4,001,900	\$ 0	\$ 795,538	\$ 200,000	\$ 496,332	\$ 8,107,695
2014	4,385,000	3,835,306	325,000	795,538	320,000	669,263	8,089,031
2015	4,560,000	3,662,206	600,000	785,138	585,000	661,263	8,083,331
2016	4,760,000	3,481,046	650,000	763,378	630,000	646,638	8,104,306
2017	4,970,000	3,290,429	700,000	739,098	675,000	630,888	8,127,219
2018	5,190,000	3,066,846	750,000	712,278	710,000	614,013	8,118,581
2019	5,440,000	2,857,616	810,000	682,848	770,000	585,613	8,160,381
2020	5,685,000	2,611,679	870,000	650,298	835,000	547,113	8,158,494
2021	5,955,000	2,353,976	935,000	614,508	910,000	505,363	8,174,831
2022	6,240,000	2,100,258	1,005,000	575,158	985,000	459,863	8,204,963
2023	6,525,000	1,834,068	1,075,000	532,918	1,060,000	410,613	8,221,763
2024	6,850,000	1,535,594	1,155,000	486,713	1,135,000	368,213	8,247,094
2025	6,315,000	1,297,364	840,000	436,920	845,000	322,813	7,503,256
2026	6,620,000	1,076,534	910,000	401,640	915,000	289,013	7,588,906
2027	6,935,000	805,558	980,000	363,420	985,000	252,413	7,634,550
2028	3,490,000	521,660	1,055,000	322,260	1,045,000	222,863	3,902,263
2029	3,680,000	379,950	1,130,000	277,950	1,110,000	191,513	3,953,513
2030	1,215,000	229,925	1,215,000	229,925	1,180,000	158,213	1,338,213
2031	1,305,000	178,288	1,305,000	178,288	1,250,000	122,813	1,372,813
2032	1,395,000	122,825	1,395,000	122,825	1,325,000	85,313	1,410,313
2033	1,495,000	63,538	1,495,000	63,538	1,405,000	43,906	1,448,906
	<u>\$ 97,215,000</u>	<u>\$ 39,306,564</u>	<u>\$ 19,200,000</u>	<u>\$ 10,530,170</u>	<u>\$ 18,875,000</u>	<u>\$ 8,284,026</u>	<u>\$ 133,950,420</u>

**Summary of Overlapping Debt  
(As of June 4, 2012)**

<b>Overlapping Issuer Name</b>	<b>Real Market Value</b>	<b>Percent Overlapping</b>	<b>Gross Direct Debt<sup>(1)</sup></b>	<b>Net Direct Debt<sup>(2)</sup></b>
City of Canby	\$ 1,400,615,731	100.00%	\$ 11,365,000	\$ 11,365,000
City of Estacada	256,426,134	100.00%	1,175,142	0
City of Gladstone	1,013,207,711	100.00%	2,050,000	0
City of Happy Valley	1,857,342,675	100.00%	4,365,000	4,365,000
City of Molalla	561,028,629	100.00%	330,000	330,000
City of Oregon City	2,819,957,385	100.00%	17,625,000	1,750,000
City of Sandy	819,168,170	100.00%	5,065,000	1,670,000
City of West Linn	3,487,305,552	100.00%	20,660,000	20,660,000
Clackamas Community College	33,484,751,034	100.00%	82,325,000	32,605,000
Clackamas Cty SD 108 (Estacada)	1,331,525,325	100.00%	34,355,000	34,355,000
Clackamas Cty SD 115 (Gladstone)	959,676,555	100.00%	56,683,548	56,683,548
Clackamas Cty SD 12 (North Clackamas)	12,476,292,846	100.00%	365,578,306	365,578,306
Clackamas Cty SD 35 (Molalla River)	1,696,632,026	100.00%	18,462,187	18,462,187
Clackamas Cty SD 4 (Uh4 Bond)	157,637,086	100.00%	355,000	355,000
Clackamas Cty SD 46 (Oregon Trail)	3,324,126,370	100.00%	114,035,487	114,035,487
Clackamas Cty SD 62 (Oregon City)	5,263,485,243	100.00%	93,595,000	93,595,000
Clackamas Cty SD 86 (Canby)	3,155,845,590	100.00%	91,641,602	91,641,602
North Clackamas Parks & Rec District	12,527,962,235	100.00%	11,920,000	0
Oak Lodge Sanitary District	2,113,261,093	100.00%	22,245,000	0
Oak Lodge Water District	2,446,596,340	100.00%	430,000	430,000
South Clackamas Transportation District	1,477,253,069	100.00%	180,000	180,000
Clackamas Cty RFPD 1	18,283,729,929	99.80%	22,244,751	2,649,610
Clackamas Cty ESD	44,081,280,604	99.46%	25,741,180	0
City of Milwaukie	2,023,326,169	99.11%	4,098,194	0
Clackamas Cty SD 7J (Lake Oswego)	8,387,014,112	98.80%	110,208,295	110,208,295
Clackamas Cty SD 3J (W.Linn-Wilsonville)	7,105,548,919	98.65%	220,108,103	220,108,103
City of Lake Oswego	7,677,304,835	94.16%	133,135,798	33,206,444
City of Wilsonville	2,905,420,141	87.92%	42,631,632	0
Port of Portland	206,003,917,447	22.46%	15,567,055	0
Metro	188,213,817,015	18.13%	33,399,454	24,445,855
Tri-Met	187,637,038,973	17.54%	1,719,057	1,719,057
Mt Hood Community College	28,378,871,776	16.02%	11,256,256	3,576,373
Multnomah Cty SD 10J (Gresham-Barlow)	6,557,195,060	15.85%	15,839,264	15,839,264
Tualatin Valley Fire & Rescue District	55,724,813,188	15.81%	9,963,472	7,592,722
City of Tualatin	5,141,875,140	14.86%	1,339,066	1,339,066
Marion Cty SD 4J (Silver Falls)	1,930,952,918	8.27%	5,151,746	5,151,746
Multnomah Cty SD 28J (Centennial)	2,632,777,596	7.07%	2,330,313	2,330,313
Washington Cty SD 88J (Sherwood)	3,807,347,708	6.47%	8,268,353	8,268,353
Portland Community College	151,131,432,801	5.45%	20,822,608	10,810,795
Silverton RFPD	1,521,716,781	5.27%	63,780	63,780
Washington Cty SD 23J (Tigard-Tualatin)	12,169,399,883	4.99%	6,954,136	6,954,136
Multnomah Cty SD 51J (Riverdale)	721,576,844	4.91%	1,416,255	1,416,255
Yamhill Cty SD 29J (Newberg)	3,633,273,993	2.01%	1,858,097	1,858,097
Multnomah ESD	97,184,919,419	1.35%	474,401	0
Northwest Regional ESD	82,595,259,515	1.03%	62,545	0
Willamette ESD	43,305,779,203	0.60%	132,649	11,049
City of Portland	81,911,043,430	0.14%	946,021	205,887
Multnomah Cty SD 1J (Portland)	71,565,796,882	0.07%	342,772	342,772
			<u>\$ 1,650,516,525</u>	<u>\$ 1,306,159,102</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

Real Market Value	\$ 45,749,197,720		
Estimated Population	378,480		
Per Capita Real Market Value	\$ 120,876		
	<b>Gross Direct Debt<sup>(1)</sup></b>	<b>Net Direct Debt<sup>(2)</sup></b>	
<b>Debt Information</b>			
County Direct Debt	\$ 98,290,000	\$ 98,290,000	
Overlapping Direct Debt	1,650,516,525	1,306,159,102	
Total Direct Debt	<u>\$ 1,748,806,525</u>	<u>\$ 1,404,449,102</u>	
<b>Bonded Debt Ratios</b>			
County Direct Debt to Real Market Value	0.21%	0.21%	
Total Direct Debt to Real Market Value	3.82%	3.07%	
Per Capita County Direct Debt	\$ 260	\$ 260	
Per Capita Total Direct Debt	\$ 4,621	\$ 3,711	

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

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

Sources: Debt Management Division, The Office of the State Treasurer as of June 4, 2012 and Clackamas County, Oregon Audited Financial Reports for the Fiscal Year Ended June 30, 2011.

## 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. Additionally, no refunding bonds have been issued for the purpose of preventing an impending default.

## Future Financings

*Capital Projects.* The County has made a financial commitment to TriMet in support of the Portland Milwaukie Light Rail extension, with a contractual agreement to provide \$25 million as partial funding (roughly 1.67% of the total of approximately \$1.5 billion) for the project, which is funded primarily from federal dollars. The County anticipates issuing debt to finance this project in calendar year 2012.

## Revenue Sources

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 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 renewed the levy at the November 2012 election for an additional five fiscal years, 2013 through 2017. 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 a 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 2012, there was \$56,417.32 of compression of the County's Permanent Rate due to the tax rate limitation. In addition, there was \$ 194,697.44 of compression of the County's Local Option Levy.

**The County has no ability to increase its property taxes to pay the Obligations, but is obligated to levy the full amount of its Operating Tax Rate Limit and use the revenues from that levy to pay the Obligations if other funds are not available to pay the Obligations.**

Taxes imposed to pay the principal and interest on the following general obligation bonds are not subject to Measure 5 Limits: (1) bonded indebtedness authorized by a specific provision of the Oregon Constitution; and (2) general obligation bonds that are approved by the voters and issued to pay for costs of capital construction or improvements; and (3) general obligation bonds issued to refund previously issued general obligation bonds.

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**

<b>Fiscal Year</b>	<b>Real Market Value<sup>(1)</sup></b>	<b>Total Assessed Valuation</b>	<b>Urban Renewal Excess</b>	<b>AV Used to Calculate Rates<sup>(2)</sup></b>
2012	\$ 45,749,197,720	\$ 38,036,035,636	\$ 1,673,540,249	\$ 36,362,495,387
2011	48,903,513,696	37,077,581,072	1,669,621,397	35,407,959,675
2010	54,457,945,809	36,061,906,021	1,637,386,701	34,424,519,320
2009	60,008,391,125	34,517,930,429	1,581,093,536	32,936,836,893
2008	57,192,695,090	32,655,970,680	1,375,502,706	31,280,467,974
2007	48,704,700,341	30,751,633,489	1,187,909,076	29,563,724,413

- (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 and any other offsets.

Source: Clackamas Department of Assessment and Taxation.

The following table presents the Fiscal Year 2012 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 \$2.4042 per \$1,000 of assessed property value. The County’s Operating Tax Rate Limit for the other rural areas is \$2.9766 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 2012 Representative Levy Rate  
(Rates Per \$1,000 of Assessed Value)**

**Tax Code Area 003-002 (City)**

	<b>Billing Rate</b>	<b>Bond/UR Special Levy Rate</b>	<b>Local Option Rate<sup>(1)</sup></b>	<b>Consolidated Rate</b>	<b>Urban Renewal Portion of the Consolidated Rate<sup>(2)</sup></b>
<b>General Government</b>					
City of West Linn	\$ 2.1200	\$ 0.2980	\$ 0.0000	\$ 2.4180	\$ 0.0000
Clackamas County (city)	2.4042	0.0000	0.0000	2.4042	0.0001
County Extention & 4-H	0.0500	0.0000	0.0000	0.0500	0.0008
County Library Service District	0.3974	0.0000	0.0000	0.3974	0.0065
Public Safety Local Option	0.0000	0.0000	0.2480	0.2480	0.0000
Clackamas County Soil Conservation	0.0450	0.0000	0.0000	0.0450	0.0007
Tualatin Valley Fire and Rescue	1.5252	0.1550	0.2500	1.9302	0.0000
Port of Portland	0.0701	0.0000	0.0000	0.0701	0.0010
Metro	0.0966	0.2188	0.0000	0.3154	0.0050
Urban Renewal Special Levy - Clackamas Co.	0.0000	0.1025	0.0000	0.1025	0.0000
TriMet	0.0000	0.0583	0.0000	0.0583	0.0012
Clackamas County Vector Control	0.0065	0.0000	0.0250	0.0315	0.0000
<b>Total General Government</b>	<b>6.7150</b>	<b>0.8326</b>	<b>0.5230</b>	<b>8.0706</b>	<b>0.0153</b>
<b>Education</b>					
Clackamas Community College	0.5582	0.1391	0.0000	0.6973	0.0153
Clackamas Education Service District	0.3687	0.0000	0.0000	0.3687	0.0063
West Linn Wilsonville School District	4.8684	2.9957	1.5000	9.3641	0.0000
<b>Total Education</b>	<b>5.7953</b>	<b>3.1348</b>	<b>1.5000</b>	<b>10.4301</b>	<b>0.0216</b>
<b>Total Tax Rate</b>	<b>\$ 12.5103</b>	<b>\$ 3.9674</b>	<b>\$ 2.0230</b>	<b>\$ 18.5007</b>	<b>\$ 0.0369</b>

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 district billing 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 Area 012-051 (Rural)**

	Billing Rate	Bond/UR Special Levy Rate	Local Option Rate <sup>(1)</sup>	Consolidated Rate	Urban Renewal Portion of the Consolidated Rate <sup>(2)</sup>
<b>General Government</b>					
Clackamas County (rural)	\$ 2.9766	\$ 0.0000	\$ 0.0000	\$ 2.9766	\$ 0.1095
County Extension & 4-H	0.0500	0.0000	0.0000	0.0500	0.0008
County Law Enhancement	0.7198	0.0000	0.0000	0.7198	0.0558
County Library Service District	0.3974	0.0000	0.0000	0.3974	0.0065
Public Safety Local Option	0.0000	0.0000	0.2480	0.2480	0.0000
County Soil Conservation District	0.0450	0.0000	0.0000	0.0450	0.0007
Clackamas County Fire District 1	2.4012	0.0619	0.0000	2.4631	0.0993
North Clackamas Park and Recreation	0.5382	0.0000	0.0000	0.5382	0.0313
Port of Portland	0.0701	0.0000	0.0000	0.0701	0.0010
Metro	0.0966	0.2188	0.0000	0.3154	0.0050
Urban Renewal Special Levy - Clackamas Co.	0.0000	0.1025	0.0000	0.1025	0.0000
TriMet	0.0000	0.0583	0.0000	0.0583	0.0012
Clackamas County Vector Control	0.0065	0.0000	0.0250	0.0315	0.0000
<b>Total General Government</b>	<b>7.3014</b>	<b>0.4415</b>	<b>0.2730</b>	<b>8.0159</b>	<b>0.3111</b>
<b>Education</b>					
Clackamas Community College	0.5582	0.1391	0.0000	0.6973	0.0153
Clackamas Education Service District	0.3687	0.0000	0.0000	0.3687	0.0063
North Clackamas School District	4.8701	2.7069	0.0000	7.5770	0.3601
<b>Total Education</b>	<b>5.7970</b>	<b>2.8460</b>	<b>0.0000</b>	<b>8.6430</b>	<b>0.3817</b>
<b>Total Tax Rate</b>	<b>\$ 13.0984</b>	<b>\$ 3.2875</b>	<b>\$ 0.2730</b>	<b>\$ 16.6589</b>	<b>\$ 0.6928</b>

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 district billing 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.

**Clackamas  
Tax Collection Record<sup>(1)</sup>**

Fiscal Year	Percent Collected as of Levy Year <sup>(2)</sup>	6/30/2012 <sup>(3)</sup>
2012	96.73%	96.73%
2011	96.79%	98.30%
2010	96.28%	98.86%
2009	95.71%	99.64%
2008	96.56%	99.93%

- (1) Percentage of total tax levy collection in Clackamas. 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, 2012.

Source: Clackamas Department of Assessment and Taxation.

**Major Taxpayers  
(As of Fiscal Year 2012)  
Clackamas County**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax <sup>(1)</sup></b>	<b>Assessed Value <sup>(2)</sup></b>	<b>Percent of Value</b>
Portland General Electric	Electrical Utility	\$ 7,947,540	\$ 555,237,000	1.46%
Shorenstein Properties LLC	Kruse Way Office Buildings	4,457,906	260,620,401	0.69%
General Growth Properties Inc.	Town Center Mall	3,339,151	205,653,826	0.54%
Northwest Natural Gas Co.	Natural Gas Utility	3,042,470	194,463,600	0.51%
Clackamas Baking Plant	Commercial Bakery	3,037,917	181,846,215	0.48%
Comcast Corporation	Telecommunications	2,660,513	149,777,000	0.39%
Xerox Corporation	Printing/Manufacturing	1,543,623	85,169,272	0.22%
PCC Structurals Inc.	Manufacturing/ Aerospace	1,370,734	81,109,421	0.21%
Blount Inc	Manufacturing	1,211,348	68,429,283	0.18%
Thomson Reuters PTS Inc.	Financial Services	1,196,536	65,753,150	0.17%
Subtotal - ten of County's largest taxpayers			1,848,059,168	4.86%
All other County's taxpayers			36,187,976,468	95.14%
Total County			<u>\$ 38,036,035,636</u>	<u>100.00%</u>

- (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 counties and cities 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 County currently levies a 6% transient room tax, revenues from which are dedicated to tourism uses.

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.

**Local Government Fees**

Oregon counties and cities 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 are prohibited from doing so.

**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. In Fiscal Year 2011 the County received approximately \$70,109,249 million in State funding excluding Federal Grants passed through the State.

### **Federal Funding**

Oregon local governments receive federal funding for a variety of purposes. That funding is generally restricted to specific purposes.

*Federal Timber Payments.* The County currently receives Federal Timber Payments from the Federal Bureau of Land Management and the Federal Forest Service ("Federal Timber Payments"). These payments were created in 2000 by the "Secure Rural Schools and Community Self-Determination Act" (the "SRS Act") to replace declining timber revenues shared between the County and the Federal Government. Pursuant to the SRS Act, payments benefit public safety, law enforcement, education and other public purposes.

The Emergency Economic Stabilization Act of 2008 approved by Congress in October 2008 contained a four-year reauthorization of the SRS Act. The reauthorization provides declining annual payments. The first three years of payments were calculated as a percentage of the amount received in federal fiscal year 2006, which ended September 30, 2007.

*Impact on the County.* The County has been planning for the end of Federal Timber Payments for some time, while encouraging the renewal of those funding streams by Congressional action. The temporary renewal of the Secure Rural Schools funding has made it possible for a gradual reduction in dependence upon that funding source. Other revenue sources for the General Fund are always under consideration, but none meant as direct replacement for the loss of timber receipts have been identified. The voters have not been asked to replace Federal Timber Payment losses with new taxes. In Fiscal Year 2011 the County received \$2,839,878 in Secure Rural Schools (Timber) Revenue; \$572,020 was passed through to County schools, \$2,267,858 was available for direct uses by the County.

## **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 about 378,480 inhabitants as of July 2011. Lake Oswego is the largest city in the County with a 2011 population of 36,725. Other incorporated cities within the County are: Oregon City, West Linn, Milwaukie, Wilsonville, Canby, Gladstone, Molalla, Sandy, Happy Valley, Barlow, Johnson City, Estacada, and portions of Rivergrove, Tualatin and Portland.

### **Staff**

As of June 28, 2012, the County had 2,299 full time, part time and temporary employees. There are eight bargaining units representing approximately 1,984 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	750	06/30/2012
CCEA - Temporary Employees	300	06/30/2012
CCEA - North Clackamas Park and Recreation District	132	06/30/2012
AFSCME - Central Communications/ Dispatch Service	32	06/30/2012
AFSCME - Department of Transportation and Development	243	06/30/2012
AFSCME - Water Environment Services	89	06/30/2012
FOPPO - Community Corrections	31	06/30/2014
Peace Officers Association (POA) - Sheriff's Deputies	407	06/30/2014

### The Board of County Commissioners

The County is governed by a Board of County Commissioners (the "Board") that consists of five partisan 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 one informal meeting per week for the purpose of reviewing the formal agenda, hearing information briefings from staff, departments and outside agencies, and receiving citizen input on agenda items. The Board also holds other hearings as required by State law or County Charter. Some meetings are held outside the Commissioner's office for greater citizen access. The current members of the Board are:

#### Board of County Commissioners

Name	Position	Service Began	Term Expires
Charlotte Lehan	Chair	January 2009	December 31, 2012
Jim Bernard	Commissioner	January 2009	December 31, 2015
Jamie Damon	Commissioner	June 2011	December 31, 2012
Ann Lininger	Commissioner	January 2009	December 31, 2012
Paul Savas	Commissioner	November 2010	December 31, 2014

Source: Clackamas County, Oregon.

### Key Administrative Officials

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

*Steve Wheeler, County Administrator.* Steve Wheeler joined the County in July 2006. Prior to joining the County, Mr. Wheeler was City Manager for the City of Tualatin, Oregon, as well as Administrator of the Tualatin Development Agency, from 1996-2006. He also worked for the City of Santee, California as Assistant City Manager from 1983-1996. Mr. Wheeler graduated with a Master of Public Administration from San Diego State University and a Bachelor of Arts from Duke University. He is a full member of the International City/County Management Association and the Oregon City/County Management Association.

*Nancy Newton, Deputy County Administrator.* Nancy Newton has been with the County since September 2000, first as the Deputy Director of the Office for Children and Families, promoted to Assistant to the County Administrator in 2004 and appointed to her current position as Deputy County Administrator in 2009.

Ms. Newton has four direct report departments and is the liaison for departments directed by elected officials. Her portfolio areas include Emergency Management; Central Communications (911); Juvenile Department; Health, Housing and Human Services; Resolution Services and the elected official departments of the Sheriff's Office, District Attorney, Justice Court and Circuit Court.

Ms. Newton's prior work experience was in the not-for-profit sector. Active in the Oregon Society of Association Management she served on the Board of Directors from 1995-1999. She completed the Institute of Association Executives program, a four year certification program through the US Chamber of Commerce at the University of Los Angeles and received the Association Person of the Year award in 1998 from the Oregon Association of Association Management. Nancy is an active member of the International City/County Managers Association and served on the Alumni Board of Directors for George Fox University from 2000-2004. She continues to be active in non-profit and community volunteerism. Ms. Newton received her Bachelor of Arts degree in Management/Organizational Leadership from George Fox University in 1999. She is currently completing the Executive Master of Public Administration at Portland State University.

*Laurel Butman, Deputy County Administrator.* Laurel Butman joined the County as Deputy County Administrator on May 17, 2010. As one of two Deputy County Administrators, Laurel is focused primarily on infrastructure. Her portfolio of departments includes Business & Community Service (parks, libraries, county fair, economic development and forestry); Transportation & Development, Water Environment Services (two sewer and one stormwater districts); and Technology Services. Prior to joining the County, Laurel 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 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, Laurel has held several leadership positions, serving as president of her neighborhood association, and leading internal and external task forces at the City of Portland. Laurel 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. Laurel is an active member of the American Society for Public Administration.

She earned both her 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. She continued with master's work at the University, relocated to Portland and completed her Executive Master of Public Administration at Portland State University.

*Marc Gonzales, Director, Department of Finance.* Marc 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 Municipal Finance Officers Association, and has been awarded Honorary Life Membership in OMFOA. He has been a member of the Government Finance Officers Association of the US and Canada (GFOA) for over twenty years. Marc currently serves as a member of the Executive Board for GFOA. He has also served on GFOA's Standing Committee on Governmental Budgeting and Fiscal Policy as both a member and currently as ex-officio.

He received his Bachelor of Arts 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 currently is serving a sixth term as a citizen volunteer on Multnomah County's Investment Advisory Board.

## **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 2011 is attached hereto as Appendix B.

## **Auditing**

Each Oregon municipal corporation 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. Municipalities having annual expenditures of less than \$500,000, 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 municipal corporations.

The County audit for the Fiscal Year 2011 ("County Audited Financial Statement") was performed by Moss-Adams LLP, CPAs, Eugene, Oregon (the "Auditor"). Audits for the Fiscal Years 2007 through 2010 were performed by Talbot, Korvola & Warwick, LLP, CPAs, Portland, Oregon. The audit report for Fiscal Year 2011 indicates the financial statements, in all material respects, fairly present the County's financial position of the governmental activities, the business-type activities, 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 2011 Fiscal Year.

Future financial statements may be obtained from the Electronic Municipal Market Access system, a free, centralized repository located at: [www.emma.msrb.org](http://www.emma.msrb.org).

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

**Governmental Activities - Statement of Net Assets**  
(Fiscal Years - \$ in thousands)

<b>Assets</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Current and other assets	\$ 325,728	\$ 257,869	\$ 234,544	\$ 261,147	\$ 257,135
Capital assets, non-depreciable	394,652	447,333	435,337	445,256	476,425
Capital assets, depreciable	276,203	298,580	353,155	363,475	342,884
Intangible assets, net	<u>0</u>	<u>0</u>	<u>0</u>	<u>394</u>	<u>590</u>
Total Assets	<u>996,583</u>	<u>1,003,782</u>	<u>1,023,036</u>	<u>1,070,272</u>	<u>1,077,034</u>
<b>Liabilities</b>					
Current liabilities	121,128	84,228	86,250	77,531	83,716
Liabilities due after one year	<u>125,119</u>	<u>129,816</u>	<u>127,643</u>	<u>158,862</u>	<u>156,294</u>
Total Liabilities	<u>246,247</u>	<u>214,044</u>	<u>213,893</u>	<u>236,393</u>	<u>240,010</u>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	611,805	608,482	659,773	649,766	687,574
Restricted					
Debt service	427	276	598	415	32,999
Acquisition and development	24,646	24,194	11,409	3,201	0
Culture, education and recreation	0	0	0	0	3,211
Economic development	0	0	0	0	870
General government	0	0	0	0	158
Health and human services	0	0	0	0	18,642
Public protection	0	0	0	0	5,391
Public ways and facilities	0	0	0	0	40,773
Unrestricted	<u>113,458</u>	<u>156,786</u>	<u>137,363</u>	<u>180,497</u>	<u>47,406</u>
<b>Total Net Assets</b>	<u>750,336</u>	<u>789,738</u>	<u>809,143</u>	<u>833,879</u>	<u>837,024</u>

NOTE: The Net Assets presents information on all the County's assets and liabilities with the difference between the two reported as net assets.

Source: County Audited Financial Statements.

**Governmental Activities - Statement of Revenues, Expenses and Changes in Net Assets**  
(Fiscal Years - \$ in thousands)

<b>Revenues:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Program Revenues:					
Fees, fines, charges for services	\$ 44,914	\$ 37,350	\$ 31,030	\$ 28,911	\$ 31,457
Operating grants and contributions	108,282	112,139	110,471	109,951	129,875
Capital grants and contributions	49,343	31,966	32,632	29,125	7,197
General Revenues:					
Property taxes	96,090	109,030	115,728	137,351	139,019
Other taxes	4,687	4,951	4,849	4,394	2,683
Gain on disposal of assets	1,255	1,888	265	2,744	562
Investment earnings	10,604	10,044	4,448	1,965	1,174
Miscellaneous	5,896	3,776	1,390	1,943	2,679
<b>Total Revenues</b>	<u>321,071</u>	<u>311,144</u>	<u>300,813</u>	<u>316,384</u>	<u>314,646</u>
<b>Expenses:</b>					
General government	38,683	40,152	39,437	30,792	29,841
Public protection	80,570	88,172	90,073	95,814	102,841
Public ways and facilities	73,100	40,229	42,677	39,637	47,528
Health and sanitation	79,053	62,922	66,268	63,101	69,901
Culture, education and recreation	21,298	18,781	21,285	36,081	32,027
Economic development	13,900	15,494	21,453	19,953	23,227
Interest and fiscal charges	1,340	6,199	5,538	6,509	6,138
<b>Total Expenses</b>	<u>307,944</u>	<u>271,949</u>	<u>286,731</u>	<u>291,887</u>	<u>311,503</u>
Increase (decrease) in net assets before transfer	13,127	39,195	14,082	24,497	3,143
Transfers	331	207	0	239	0
Increase in net assets	<u>13,458</u>	<u>39,402</u>	<u>14,082</u>	<u>24,736</u>	<u>3,143</u>
Net assets - July 1	735,794	750,336	790,051	809,143	833,879
Restatement	1,084	0	5,010	0	0
<b>Total Net Assets</b>	<u>\$ 750,336</u>	<u>\$ 789,738</u>	<u>\$ 809,143</u>	<u>\$ 833,879</u>	<u>\$ 837,022</u>

NOTE: The Statement of Revenues, Expenses and Changes in Net Assets presents information showing how the County's net assets changed during a given Fiscal Year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future periods, such as uncollected taxes and earned, but unused, vacation leave.

Source: 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)

<b>Assets</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Cash and investments	\$ 13,846,131	\$ 19,460,356	\$ 15,822,598	\$ 24,565,119	\$ 23,902,538
Taxes receivable	3,241,566	4,140,980	5,547,700	5,849,371	5,443,515
Accounts receivable	1,353,787	705,526	508,320	636,780	643,100
Grants receivable	779,356	217,012	916,321	181,432	12,476
Due from other funds	2,548,041	2,810,472	3,140,793	1,624,783	2,057,869
Other assets	66,965	120,972	20,711	38,922	22,558
Interfund loan receivable	<u>180,000</u>	<u>147,198</u>	<u>112,870</u>	<u>0</u>	<u>0</u>
<b>Total Assets</b>	<u><b>22,015,846</b></u>	<u><b>27,602,516</b></u>	<u><b>26,069,313</b></u>	<u><b>32,896,407</b></u>	<u><b>32,082,056</b></u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,166,027	\$ 3,425,474	\$ 1,476,539	\$ 637,212	\$ 842,611
Accrued payroll	2,531,255	1,707,462	2,642,873	2,096,795	2,798,421
Due to other funds	83,901	312,156	2,199,276	3,838,065	272,432
Deposits	48,424	48,998	60,896	216,262	127,660
Deferred revenue	<u>2,618,238</u>	<u>4,126,235</u>	<u>5,592,447</u>	<u>4,906,800</u>	<u>4,676,847</u>
<b>Total Liabilities:</b>	<u><b>6,447,845</b></u>	<u><b>9,620,325</b></u>	<u><b>11,972,031</b></u>	<u><b>11,695,134</b></u>	<u><b>8,717,971</b></u>
<b>Fund Balances:</b>					
Reserved for loan receivable	180,000	147,198	112,870	0	157,978
Unreserved	<u>15,388,001</u>	<u>17,834,993</u>	<u>13,984,412</u>	<u>21,201,273</u>	<u>23,206,107</u>
<b>Total Fund Balances</b>	<u><b>15,568,001</b></u>	<u><b>17,982,191</b></u>	<u><b>14,097,282</b></u>	<u><b>21,201,273</b></u>	<u><b>23,364,085</b></u>
<b>Total Liabilities and Fund Balances</b>	<u><b>\$ 22,015,846</b></u>	<u><b>\$ 27,602,516</b></u>	<u><b>\$ 26,069,313</b></u>	<u><b>\$ 32,896,407</b></u>	<u><b>\$ 32,082,056</b></u>

Source: County Audited Financial Statements.

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

<b>Revenues</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Property taxes	\$ 77,198,631	\$ 81,044,472	\$ 85,059,858	\$ 89,673,858	\$ 92,038,835
Other taxes	1,919,660	1,889,248	2,192,316	1,964,087	0
Licenses and permits	1,362,109	1,226,473	1,418,784	1,521,620	2,024,752
Fines, forfeitures and penalties	749,869	675,589	622,647	606,005	384,734
Interest	1,114,360	1,038,490	609,105	272,051	176,589
Intergovernmental	13,924,678	10,308,989	10,391,463	10,302,186	9,665,387
Charges for services	13,251,619	13,207,730	13,542,203	14,000,206	15,436,236
Contributions	0	0	0	73,149	54,252
Miscellaneous	12,878,112	14,293,603	15,676,793	14,657,835	14,952,290
<b>Total Revenues</b>	<u>122,399,038</u>	<u>123,684,594</u>	<u>129,513,169</u>	<u>133,070,997</u>	<u>134,733,075</u>
<b>Expenditures</b>					
General government	45,314,304	42,543,206	46,950,520	47,385,253	44,564,078
Health and human services	0	0	0	0	2,410,230
Economic development	0	0	0	0	3,274,546
Culture, education and recreation	1,501,783	1,956,434	1,904,561	4,256,666	5,753,539
Capital outlay	0	146,472	771,230	242,971	1,723,909
Debt service	53,135	0	0	0	0
<b>Total Expenditures</b>	<u>46,869,222</u>	<u>44,646,112</u>	<u>49,626,311</u>	<u>51,884,890</u>	<u>57,726,302</u>
Excess (deficiency) of revenues over expenditures	<u>75,529,816</u>	<u>79,038,482</u>	<u>79,886,858</u>	<u>81,186,107</u>	<u>77,006,773</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital assets	0	165	0	0	0
Transfers in	1,080,069	3,827,339	1,554,540	0	17,985,515
Transfers out	(78,644,450)	(80,451,796)	(82,223,974)	(74,082,116)	(93,716,147)
Interagency transfer out	0	0	(2,000,000)	0	0
Total Other Financing Sources (Uses)	<u>(77,564,381)</u>	<u>(76,624,292)</u>	<u>(82,669,434)</u>	<u>(74,082,116)</u>	<u>(75,730,632)</u>
Net change in fund balance	<u>(2,034,565)</u>	<u>2,414,190</u>	<u>(2,782,576)</u>	<u>7,103,991</u>	<u>1,276,141</u>
Fund balance at beginning of year	17,602,566	15,568,001	17,982,191	14,097,282	22,087,944
Restatement	0	0	(1,102,333)	0	0
Ending fund balance	<u>\$ 15,568,001</u>	<u>\$ 17,982,191</u>	<u>\$ 14,097,282</u>	<u>\$ 21,201,273</u>	<u>\$ 23,364,085</u>

Source: 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 lay 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 no later than June 30 of each Fiscal Year.

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 294.480.

**General Fund Adopted Budget  
(Fiscal Years)**

<b>Resources</b>	<b>2012</b>	<b>2013</b>
Property Taxes	\$ 93,075,000	\$ 95,267,000
Federal Revenue	2,490,351	172,500
State Revenue	4,578,000	3,859,000
Local Revenue	1,826	1,000
Licenses	1,681,400	1,610,000
Fees & Fines	14,852,460	15,230,961
Other Revenue	16,867,167	17,189,739
Interfund Transfers	796,546	3,201,909
Beginning Fund Balance	16,778,108	13,888,843
<b>Total Resources</b>	<b>\$ 151,120,858</b>	<b>\$ 150,420,952</b>
<b>Expenditures</b>		
Personal Services	\$ 34,781,088	\$ 35,976,066
Materials & Services	6,950,447	7,050,610
Allocated Costs	5,797,266	6,327,791
Capital Outlay	111,000	5,000
Debt Service		244,303
Interfund Transfers	87,268,791	84,151,874
Reserves	12,053,551	12,305,881
Contingency	4,158,715	4,359,427
<b>Total Expenditures</b>	<b>\$ 151,120,858</b>	<b>\$ 150,420,952</b>

Source: County Adopted Fiscal Year 2013 Budget.

**Investments**

ORS 294.035 authorizes Oregon municipalities 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 municipalities 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.

Municipalities are also authorized to invest approximately \$42.8 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 [www.ost.state.or.us/about/boards/OSTF/About.htm](http://www.ost.state.or.us/about/boards/OSTF/About.htm).

## 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.

*T1/T2 Pension Programs.* Employees hired before August 29, 2003 participate in the “Tier 1” and “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, T1/T2 Pension Program participant contributions fund individual retirement accounts under the separate defined contribution program described below.

*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 hybrid defined contribution/defined benefit pension plan with two components. Employer contributions fund the defined benefit program and employee contributions fund individual retirement accounts under the separate defined contribution program.

*Actuarial Valuation.* Oregon statutes require an actuarial valuation of the System at least once every two years. Based on the biennial actuarial valuation as of December 31 of odd-numbered years the Public Employees Retirement Board (“PERB”) establishes the contribution rates that employers will pay to fund the T1/T2 Pension Programs, OPSRP and the PERS-sponsored Retirement Health Insurance Account program (“RHIA”) described herein. Actuarial valuations are performed annually as of December 31 of each year, with the valuations as of December 31 of even-numbered years (such as 2010) used for advisory purposes only and valuations as of December 31 of odd-number years (such as 2009) used to set payroll contribution rates. 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. PERS’ current actuary Milliman, Inc., replaced the prior actuary Mercer (US), Inc. in January 2012.

Valuation Date	Release Date	Rates Effective
December 31, 2008	November 2009	Advisory only
December 31, 2009	October 2010	July 1, 2011 – June 30, 2013
December 31, 2010	November 2011	Advisory only

The System Valuation as of December 31, 2010 released on November 10, 2011 (the “2010 System Valuation”) indicated that the funded status of the System increased from approximately 86 percent at December 31, 2009 to 87 percent at December 31, 2010.

*Employer Assets, Liabilities, and Unfunded Actuarial Liabilities.* An employer’s unfunded actuarial liability (“UAL”) is the excess of the actuarially determined present value of the employer’s benefit obligations to employees over the existing actuarially determined assets available to pay those benefits.

*County UAL.* The County’s T1/T2 Pension Programs assets and liabilities are based on an actuarial analysis performed on the County’s employee base.

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 (the “County Allocated OPSRP UAL”). Changes in the County’s relative growth in payroll will cause the County Allocated OPSRP UAL to shift.

The County’s net unfunded pension UAL is the total of the County’s T1/T2 UAL, and County Allocated OPSRP UAL. The County’s net unfunded pension UAL as of the County Valuation as of December 31, 2009 (the “2009 Valuation”) and County Valuation as of December 31, 2010 (the “2010 Valuation”) is shown in the following table.

**Clackamas County, Oregon Net Unfunded Pension UAL**

	<b>2009 Valuation</b>	<b>2010 Valuation</b>
T1/T2 UAL	\$ 122,128,902	\$ 121,056,191
Allocated pooled OPSRP UAL	1,200,013	1,480,714
County Side Account	<u>0</u>	<u>0</u>
Net unfunded pension actuarial accrued liability	<u>\$ 123,328,915</u>	<u>\$ 122,536,905</u>

Source: 2009 County Valuation and 2010 County Valuation.

The funded status of PERS and of the County as reported by the PERS actuary, will change over time depending on a variety of factors, including the market performance of the securities in which the OPERF is invested, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS.

Significant actuarial assumptions and methods used in the valuations included: (a) Projected Unit Credit actuarial cost method, (b) asset valuation method based on market value, (c) rate of return on the investment of present and future assets of 8%, (d) payroll growth rate of 3.75%, (e) consumer price inflation of 2.75% per year, and (f) UAL amortization method of a level percentage of payroll over 21 years (fixed) for the T1/T2 Pension Programs and 16 years (fixed) for OPSRP.

*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 PERS Board and changes in benefits resulting from legislative modifications. Pursuant to ORS 238.225 all employers participating in PERS are required to make their contribution to PERS based on the employer contribution rates set by the PERS Board. Employees are required to contribute 6 percent of their annual salary to the respective programs. Employers are allowed to pay the employees' contribution in addition to the required employers' contribution. The County has elected to make the employee contribution.

*Contribution Rate Collar.* In January 2010 the PERS Board adopted a revised implementation of the rate collar limiting increases in employer contribution rates from biennium to biennium (the "Rate Collar"). Under normal conditions, the Rate Collar is the greater of 3 percent of payroll or 20 percent of the current base rate. If the funded status of independent employers is below 80 percent, the Rate Collar increases by 0.3 percent for every percentage point under the 80 percent funded level until it reaches 6 percent at the 70 percent funded level. The 2009 System Valuation found that independent employers were 82 percent funded, resulting in a Rate Collar of 3 percent. The Rate Collar limits increases in employer contribution rates before rate reductions from side accounts are deducted, and does not cover charges associated with RHIA and RHIPA.

*County Contribution Rates.* The County's current contribution rates are based on the 2009 Valuation and are effective July 1, 2011 to June 30, 2013. The following table shows the County's current contribution rates (2009 Valuation) and the advisory only rates released in the most recent valuation (2010 Valuation):

### Clackamas County, Oregon Pension Contribution Rates

	<u>2009 Valuation</u>			<u>2010 Valuation</u>		
	T1/T2	OPSRP General	OPSRP P&F	T1/T2	OPSRP General	OPSRP P&F
Normal cost rate	9.47%	6.13%	8.84%	9.66%	6.08%	8.82%
T1/T2 UAL rate	5.28	5.28	5.28	7.75	7.75	7.75
OPSRP UAL rate	0.08	0.08	0.08	0.10	0.10	0.10
Side account rate relief	0.00	0.00	0.00	0.00	0.00	0.00
Retiree Healthcare rate (RHIA) <sup>(1)</sup>	<u>0.59</u>	<u>0.50</u>	<u>0.50</u>	<u>0.66</u>	<u>0.56</u>	<u>0.56</u>
<b>Total net contribution rate</b>	<b><u>15.42%</u></b>	<b><u>11.99%</u></b>	<b><u>14.70%</u></b>	<b><u>18.17%</u></b>	<b><u>14.49%</u></b>	<b><u>17.23%</u></b>

(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: 2009 County Valuation and 2010 County Valuation.

#### 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 2010 System Valuation, this program had a UAL of approximately \$314.8 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 2010 County Valuation, the County's allocated share of the RHIA program's UAL was \$4,290,650. The County's contributions to RHIA for the years ended June 30, 2009, 2010, and 2011 were \$214,000, \$213,000 and \$214,500, respectively, which equaled the required contributions each year.

*GASB 45.* GASB 45 requires the County to determine the extent of its liabilities for post employment benefits and record the liability in its financial statements on an actuarial basis. This includes the requirement under ORS 243.303 of offering 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 45 refers to this as an "implicit subsidy" and requires that the corresponding liability be determined and reported.

The County also provides post-employment healthcare benefits to retiring Peace Officer Association ("POA") and Command Officers ("CO"), who retire with a minimum of ten years of service with the County. The County contributes 100% of the monthly medical premium, which is paid as incurred. Retirees are responsible for the payment of annual deductibles, which vary according to the plan selected. The County funds premium costs by contributing 3.25% for all Sheriff's office covered employees, whether they are union or non-union. During fiscal year 2010-2011, benefit payments of \$466,015 were made to participants. At year-end, net assets available for future premium costs in the Pension Trust Fund amounted to \$1,806,770. The Pension Trust Fund is not a legal trust arrangement holding resources solely for other postemployment benefits, and the resources within it are not eligible to be treated as other postemployment benefit plan net assets. At June 30, 2011, there were 127 POA and CO retirees that were receiving the post-employment healthcare benefit.

As of the County's most recent actuarial report for its Postretirement Health Benefits Program prepared by Mercer as of July 1, 2010, the actuarial accrued liability of benefits was \$50,075,769, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$50,075,069. The covered payroll (annual payroll of active employees covered by the plan) was \$112,936,313 for Fiscal Year 2011 and the ratio of the UAAL to the covered payroll was 44%.

The County's annual Other Postemployment Benefits ("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 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following schedule shows the components of the County's annual OPEB cost for Fiscal Year 2011, the amount actually contributed to the plan, and changes in the County's OPEB obligation to the plan:

Annual required contribution	\$ 6,269,778
Interest on net OPEB obligation	534,713
Adjustment to annual required contribution	<u>(773,062)</u>
Annual OPEB cost	6,031,429
Contributions made	<u>2,070,713</u>
Increase in net OPEB obligation	3,960,716
Net OPEB obligation - beginning this year	<u>13,367,818</u>
Net OPEB obligations - end of year	<u>\$ 17,328,534</u>

The following table shows the County's annual OPEB cost for the fiscal year ended June 30, 2011.

Required Contribution	Annual Required Contribution (ARC)	Percentage of ARC Contributed
General County Only	\$ 2,812,691	33%
Sheriff's Dept. Only	<u>3,457,087</u>	33%
All County Total	<u>\$ 6,269,778</u>	33%

For more details on the County's OPEB liability, see note 13 of the County audited financial statement for Fiscal Year 2011, attached hereto as Appendix B.

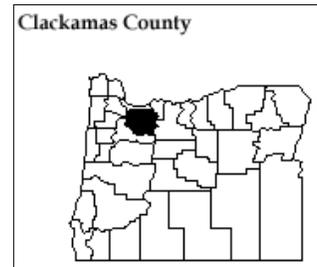
### Risk Management

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 2011 is attached hereto as Appendix B.

### Demographic Information

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 County 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 historic population for the State, the County, and cities of Lake Oswego and Oregon City:

<b>Population</b>				
<b>July 1<sup>(1)</sup></b>	<b>State of Oregon</b>	<b>Clackamas County</b>	<b>City of Lake Oswego</b>	<b>City of Oregon City</b>
2011	3,857,625	378,480	36,725	32,220
2010	3,837,300	376,780	36,620	31,995
2009	3,823,465	379,845	36,755	30,710
2008	3,791,075	376,660	36,590	30,405
2007	3,745,455	372,270	36,345	30,060
2006	3,690,505	367,040	36,350	29,540
2005	3,631,440	361,300	36,075	28,965
2004	3,582,600	356,250	35,930	28,370
2003	3,541,500	353,450	35,860	28,100
<b>April 1<sup>(2)</sup></b>				
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

The economy of the Portland PMSA is broad and widely diversified, and includes the State's largest employers, including Intel, Providence Health System, Safeway, Oregon Health & Sciences University, Fred Meyer, Kaiser Foundation Health Plan, Legacy Health System, and Nike.

*Income.* Historic 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
2011	N/A	N/A	N/A	N/A	\$ 146,778,178	\$ 27,671,779	\$ 37,909	\$ 7,147
2010	\$ 16,945,867	\$ 3,282,435	\$ 44,954	\$ 8,708	139,395,112	26,031,153	36,317	6,782
2009	16,494,857	3,184,935	44,094	8,514	138,453,340	28,181,017	36,191	7,366
2008	17,482,238	3,816,378	47,109	10,284	139,306,268	29,341,456	36,824	7,756
2007	16,678,152	3,387,399	45,468	9,235	133,821,268	27,217,289	35,849	7,291
2006	15,872,775	3,170,936	43,666	8,723	127,403,090	25,405,934	34,644	6,908

Source: U.S. Department of Commerce, Bureau of Economic Analysis, April 25, 2012.

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

**Clackamas County  
Labor Force Summary <sup>(1)</sup>  
(by place of residence)**

	2007	2008	2009	2010	2011	2012 <sup>(2)</sup>	2011 Change from			
							2007	2008	2009	2010
Civilian Labor Force	196,691	201,041	201,036	201,514	205,883	203,729	9,192	4,842	4,847	4,369
Unemployment	8,960	11,117	20,564	20,047	17,915	16,269	8,955	6,798	-2,649	-2,132
Percent of Labor Force	4.6%	5.5%	10.2%	9.9%	8.7%	8.0%	xx	xx	xx	xx
Total Employment	187,731	189,924	180,472	181,466	187,968	187,460	237	-1,956	7,496	6,502

**Non-Agricultural Wage & Salary Employment<sup>(3)</sup>**

	2007	2008	2009	2010	2011	2012 <sup>(2)</sup>	2011 Change from			
							2007	2008	2009	2010
TOTAL NONFARM PAYROLL EMPLOYMENT	148,100	148,000	137,800	134,000	135,300	137,800	-12,800	-12,700	-2,500	1,300
TOTAL PRIVATE	129,900	130,000	119,600	116,300	118,200	120,500	-11,700	-11,800	-1,400	1,900
Natural resources and mining	200	200	200	200	200	200	0	0	0	0
Construction	12,500	11,600	9,100	8,300	8,200	8,400	-4,300	-3,400	-900	-100
Manufacturing	18,300	18,600	16,300	15,800	16,100	15,900	-2,200	-2,500	-200	300
Trade, transportation, and utilities	33,400	33,300	31,100	30,400	31,200	31,500	-2,200	-2,100	100	800
Information	2,000	2,100	2,200	2,100	2,100	2,000	100	0	-100	0
Financial activities	10,600	9,900	8,900	8,600	8,300	8,500	-2,300	-1,600	-600	-300
Professional and business services	17,300	17,300	15,100	14,700	15,000	15,700	-2,300	-2,300	-100	300
Educational and health services	16,500	17,800	18,400	18,500	19,200	19,200	2,700	1,400	800	700
Leisure and hospitality	13,800	14,000	13,200	12,700	12,900	13,800	-900	-1,100	-300	200
Other services	5,400	5,300	5,100	5,000	5,000	5,300	-400	-300	-100	0
GOVERNMENT	18,200	18,100	18,200	17,700	17,100	17,300	-1,100	-1,000	-1,100	-600

- (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 June 2012, 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, August 2012.

Major Employers. Major employers within the County include the following:

**Major Employers in the County  
(2012)**

<b>Company</b>	<b>Service</b>	<b>Location</b>	<b>No. Employees</b>
Blount International Inc.	Manufacturer of construction machinery	Clackamas	4,500
Clackamas County	Government	Oregon City	2,299
North Clackamas School District	Education	Clackamas	2,000
Clackamas Community College	Education	Oregon City	1,620
Xerox Corp	Copiers and equipment	Wilsonville	1,500
Tigard-Tualatin School District	Education	Tualatin	1,400
Mentor Graphics Corp	Computer Systems Design Services	Wilsonville	1,100
Oregon City School District	Education	Oregon City	850
West Linn-Wilsonville School District	Education	West Linn	820
Willamette Falls Hospital	Healthcare	Oregon City	800
Lake Oswego Public Schools	Education	Lake Oswego	800
Kaiser Foundation Hospitals	Healthcare	Clackamas	800
Benefit Health Solution	Insurance	Milwaukie	700
Canby School District	Education	Canby	600
Warn Industries Inc.	Winches and motor vehicle parts	Clackamas	570
Precision Interconnect, LLC	Electronic component manufacturing	Wilsonville	566
Tyco International Inc.	Manufactures wiring devices	Wilsonville	550
Sysco Foods Services of Portland	Food products	Wilsonville	500
Oregon Trail School District	Education	Sandy	500
PCC Structural Inc.	Aircraft parts and equipment	Clackamas	500
J. Frank Schmidt & Son Co	Landscaping services, supplies	Boring	500
Legacy Meridian Park Hospital	Healthcare	Tualatin	458
Estacada School District	Education	Estacada	450
FLIR Systems, Inc.	Search and navigation equipment	Wilsonville	440
Rockwell Collins	Electronic displays	Wilsonville	430
Pacific Scientific OECO LLC	Manufactures magnetic cores	Milwaukie	425
Biotronik Inc.	Medical and hospital equipment	Lake Oswego	425
Willamette View Inc.	Retirement community	Milwaukie	380
City of Lake Oswego	Government	Lake Oswego	357
Molalla River School District 35	Education	Molalla	350
Timberline Lodge	Resort/Hotel	Government Camp	350
Oregon Iron Works, Inc.	Prefabricated metal	Clackamas	350
H. G. Schlicker & Associates, Inc.	Environmental Consulting Services	Oregon City	344
Coca-Cola Bottling Company	Soft drink manufacturing	Wilsonville	321

Source: Hoover's, Inc., June 6, 2012; Portland Business Journal "Largest Employers of Portland Metro" list; published May 18, 2012; Wilsonville Chamber of Commerce, July 2012. Employee count includes full-time, part-time and temporary employees.

*Agriculture.* The number of acres harvested and gross farm sales in Clackamas County is as follows:

**Clackamas County  
Harvested Acreage and Gross Farm Sales**

Year	Harvested Acreage	Gross Farm Sales (\$ in thousands)		
		Crop Sales	Animal Products Sales	Total Gross Farm Sales
2011	44,856	\$ 262,507	\$ 70,433	\$ 332,940
2010	43,375	231,363	63,529	294,892
2009	43,666	245,180	57,269	302,449
2008	43,770	307,246	56,998	364,244
2007	43,027	353,421	56,492	409,914

**Top Commodities in  
Clackamas County (2012)**

Rank	Commodity	Sales
1	Nursery Crops	\$ 127,551,000
2	Chicken Eggs	37,904,328
3	Christmas Trees	25,748,500
4	Greenhouse Crops	21,181,000
5	Not Disclosed	N/A

Source: Oregon State University Extension Service's Oregon Agriculture Information Network, Harvested Acreage Summary Report, Gross Farm Sales Reports, Commodity Report; March 14, 2012.

*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	New Single Family		New Multi Family			Total Construction Cost
	Number	Construction Cost	Number	Units	Construction Cost	
2012 <sup>(1)</sup>	560	\$ 144,725,370	1	6	\$ 681,916	\$ 145,407,286
2011	782	206,588,525	17	372	37,408,346	243,996,871
2010	607	155,290,952	18	40	8,006,271	163,297,223
2009	561	156,359,957	6	135	11,653,028	168,012,985
2008	838	216,701,203	0	0	0	216,701,203
2007	1,887	488,332,941	10	108	10,163,320	498,496,261

(1) As of July 1, 2012.

Source: U.S. Census Bureau, August 2012.

*Transportation.* The County is served by Interstate 5 and Interstate 205. Bus service is provided by Tri-Met, the Portland Metropolitan Area's transportation authority, and Greyhound. Southern Pacific Railroad supplies freight service to the County.

Commercial air transportation is available at Portland International Airport ("PDX"). PDX, operated by 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, 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.

### **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. For the 2012 general election, the requirement is eight percent (116,284 signatures) for a constitutional amendment measure and six percent (87,213 signatures) for a statutory initiative. The last day for submitting signed initiative petitions for the 2012 general election was July 6, 2012. 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. The next general election for which statewide initiative petitions may be filed will be in November 2012.

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:

**Historical Initiative Petitions**

Number of Year of General Election	Number of Initiatives that Qualified	Initiatives that were Approved
2002	7	3
2004	6	2
2006	10	3
2008	8	0
2010	4	2

NOTE: The Secretary of State posts a listing of initiatives on its web site: [www.sos.state.or.us](http://www.sos.state.or.us).

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

**Future Statewide Initiative Measures**

Petitions to place statewide initiative measures on the November 6, 2012 ballot were due by July 6, 2012. The office of the Secretary of State may not determine whether petitions contain enough valid signatures until July 31, 2012. As of July 11, 2012, one initiative and two referrals have qualified for the November 6, 2012 election ballot. Seven other initiative petitions for the November 6, 2012 election are pending verification of valid signatures. Based on the information currently available, the measures that have qualified or may qualify are not likely to have a direct, material and adverse financial impact on the County.

The Oregon Secretary of State’s office maintains a list of all initiative petitions that have been submitted to that office. The office can be reached by telephone at (503) 986-1518.

Oregon’s Constitution allows citizens to place County ordinances before the County’s voters. An initiative petition to enact an ordinance limiting the County’s participation in public rail transit systems has qualified to appear on the ballot at the September 18, 2012 election. The election will have no effect on the Financing Agreement or the Obligations.

**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 \$500,000, for

causes of action arising on or after July 1, 2009, and before July 1, 2010. From July 1, 2010 through June 30, 2015, this cap increases incrementally to \$666,700. The liability limits to *all claimants* for covered personal injury or death claims (and not property claims) arising from a single accident or occurrence increase from \$1 million, for causes of action arising on or after July 1, 2009, and before July 1, 2010, incrementally to \$1,333,300, for causes of action arising on or after July 1, 2014, and before July 1, 2015.

For causes of action arising on or after July 1, 2015, 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 3% for any year.

*Property Damage or Destruction Claim.* The liability 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, 2009 are as follows: (a) \$100,000, adjusted as described below, to any single claimant, and (b) \$500,000, adjusted as described below, to all claimants.

Beginning in 2010, these liability limits shall 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 3% 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 and corporations under the Code; such Interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. 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 District 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 their issue date, 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 a 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 means the first price at which a substantial amount of the Obligations of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Obligations is expected to be the initial public offering price set forth on the 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 on the Obligations.

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 a 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 a 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 on the Obligations 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 Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes).

*Prior Undertakings.* The County has entered into prior undertakings 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, and Full Faith and Credit Obligations, Series 2009. Prior to July 1, 2009, Continuing Disclosure filings were required to be made with four nationally recognized municipal securities information repositories ("NRMSIRs"). Beginning July 1, 2009, Continuing Disclosure is required to be filed with the MSRB's Electronic Municipal Market Access system.

The County's undertaking for its Limited Tax Assessment Bonds, Series 2000 requires its annual Continuing Disclosure filing by March 1. Each of the County's other undertakings require its annual Continuing Disclosure filing within nine months of the end of the Fiscal Year (March 31).

*Compliance with Prior Undertakings.* The County made its Fiscal Year 2011 continuing disclosure filings on March, 29, 2012, before the March 31 deadline for each of its Full Faith and Credit Obligations, but 28 days after the March 1 deadline on its Limited Tax Assessment Bonds, Series 2000. The County's Fiscal Year 2010 continuing disclosure filings were made on January 31, 2011, before the March 1 and March 31 deadlines. The County made its Fiscal Year 2009 continuing disclosure filings on April 15, 2010, 15 days after the March 31 deadline for each of its Full Faith and Credit Obligations, and 45 days after the March 1 deadline on its Limited Tax Assessment Bonds, Series 2000. The County made its Fiscal Year 2008 continuing disclosure filings on May 22, 2009, 52 days after the March 31 deadline for each of its Full Faith and Credit Obligations, and 82 days after the March 1 deadline on its Limited Tax Assessment Bonds, Series 2000. The County's Fiscal Year 2007 continuing disclosure filings were made on March 12, 2008, before the March 31 deadline for each of its Full Faith and Credit Obligations, but 11 days after the March 1 deadline on its Limited Tax Assessment Bonds, Series 2000.

The County has implemented new procedures to maintain compliance in the future. A copy of the form of the County's Continuing Disclosure Certificate for the Obligations is attached hereto as Appendix D.

### **Financial Advisor**

In connection with the authorization and issuance of the Obligations, the County has retained Seattle-Northwest Securities Corporation, Portland, Oregon, as its financial advisor (the "Financial Advisor").

The Financial 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.

### **Purchaser of the Obligations**

The Obligations are being purchased by Guggenheim Securities, LLC at a price of \$20,173,875.86 and will be reoffered at a price of \$20,455,220.95. 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 Obligations 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 addressed to the Underwriter 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

(This page left blank intentionally)

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

September 6, 2012

Clackamas County  
2501 Kaen Road  
Oregon City, Oregon 97045

Subject: \$18,875,000 Clackamas County, Oregon, Full Faith and Credit Refunding Obligations, Series 2012

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 The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent") in the aggregate principal amount of \$18,875,000. 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 2012 (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, ORS 287A.360 to 287A.380, and Order No. 2012-71 adopted by the Board of County Commissioners on June 28, 2012 (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 Financing Payments are payable from any and all of the County's legally available funds. 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.

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 and corporations under the Code; Interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. 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 to 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 their date of issue, 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 they will do and perform all acts and things necessary or desirable 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.

We note that the County has *not* designated the Financing Agreement as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code.

Except as stated in paragraphs 3 and 4 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 issue date, and we assume no obligation to update, revise or supplement this opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for Federal income tax purposes of Interest.

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 given as of the date hereof and is based on existing law, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention or any changes in law or interpretations thereof that may hereafter arise or occur, or for any other reason.

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 any other party in connection with the Obligations. This opinion is given solely for your benefit 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, the owners of the Obligations, 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,

(This page left blank intentionally)

# **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 2011 Fiscal Year.

(This page left blank intentionally)

**CLACKAMAS COUNTY, OREGON**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2011

Prepared by:

Clackamas County Department of Finance  
and the Office of the County Treasurer  
Marc S. Gonzales, Director of Finance  
Jason Kirkpatrick, Finance Manager, CPA, CFE  
Christa Bosserman Wolfe, Audit Manager, CPA

**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, 2011**

<u>Name</u>	<u>Term Expires</u>
Charlotte Lehan, Chair Public Services Building	December 31, 2012
Jim Bernard, Commissioner Public Services Building	December 31, 2014
Jamie Damon, Commissioner Public Services Building	December 31, 2012
Ann Lininger, Commissioner Public Services Building	December 31, 2012
Paul Savas, Commissioner Public Services Building	December 31, 2014

**ADMINISTRATIVE OFFICES**

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

**COUNTY ADMINISTRATOR**

Steve Wheeler

**LEGAL COUNSEL**

Stephen Madkour  
2051 Kaen Road  
Oregon City, Oregon 97045

CLACKAMAS COUNTY, OREGON

TABLE OF CONTENTS

CLACKAMAS COUNTY, OREGON

TABLE OF CONTENTS

	<u>Page</u>
<b><u>INTRODUCTORY SECTION:</u></b>	
Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	x
Organization Chart - Clackamas County Elected Officials	xi
Organization Chart - All Other Departments	xii
Principal Officials	xiii
<b><u>FINANCIAL SECTION:</u></b>	
<b>REPORT OF INDEPENDENT AUDITORS</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>3</b>
<b><u>BASIC FINANCIAL STATEMENTS:</u></b>	
Statement of Net Assets	14
Statement of Activities	15
Balance Sheet - Governmental Funds	16
Reconciliation of Statement of Governmental Funds Balance Sheet to Statement of Net Assets	17
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	18
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to Statement of Activities	19
Statement of Net Assets - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22
Statement of Net Assets - Fiduciary Funds	24
Statement of Changes in Plan Net Assets - Pension Trust Fund	25
Notes to Basic Financial Statements	26
<b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>	
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual:	
General Fund	65
Community Health Fund	67
Clackamas Mental Health Organization Fund	68
Sheriff Operations Fund	69
Notes to Required Supplementary Information	70
<b><u>SUPPLEMENTARY INFORMATION:</u></b>	
Combining Balance Sheet - General Fund	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	72

	<u>Page</u>
<b><u>FINANCIAL SECTION (Continued):</u></b>	
<b><u>SUPPLEMENTARY INFORMATION (Continued):</u></b>	
Nonmajor Governmental Funds:	
Combining Balance Sheet	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Funds:	74
Nonmajor Special Revenue Funds - Fund Descriptions	
Combining Balance Sheet - Special Revenue Funds	75
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds	79
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual:	
Road Fund	83
OFC Children and Families Fund	84
Clackamas County Fair Fund	85
Community Corrections Fund	86
County School Fund	87
Building Codes Fund	88
Community Development Fund	89
Employer Contributions Fund	90
Dog Control Fund	91
Community Solutions Fund	92
Family Court Service Fund	93
Health, Housing & Human Services Fund	94
Law Library Fund	95
Library Network Fund	96
Parks Fund	97
Business & Economic Development Fund	98
Planning Fund	99
Public Land Corner Preservation Fund	100
Social Services Fund	101
Code Enforcement and Sustainability Fund	102
Sunnyside Village Park Acquisition Fund	103
Sunnyside Village Park Road Frontage Construction Fund	104
Emergency Management Fund	105
Juvenile Fund	106
Transient Room Tax Fund	107
Transportation System Development Charge Fund	108
District Attorney Fund	109
Justice Court Fund	110
Public Safety Local Option Levy Fund	111
Property Management Fund	112
County Payments Account Project Fund	113
Joint Transportation SDC Fund	114
Tourism Development Council Fund	115
Parks Trust Fund	116
Tax Title Land Fund	117
North Clackamas Parks and Recreation District Fund	118
North Clackamas Parks and Recreation District - Nutrition and Transportation Fund	119

CLACKAMAS COUNTY, OREGON

TABLE OF CONTENTS

CLACKAMAS COUNTY, OREGON

TABLE OF CONTENTS

	<u>Page</u>
<b>FINANCIAL SECTION (Continued):</b>	
<b>SUPPLEMENTARY INFORMATION (Continued):</b>	
Nonmajor Special Revenue Funds (Continued)	
Schedules of Revenues, Other Financing Use and Changes in Fund Balance – Budget to Actual:	
North Clackamas Parks and Recreation District –	
Systems Development Charge Fund	120
Systems Development Charge Zone 1 Fund	121
Systems Development Charge Zone 2 Fund	122
Systems Development Charge Zone 3 Fund	123
Clackamas County Enhanced Law Enforcement District Fund	124
Clackamas County Extension and 4-H Service District Fund	125
Library District of Clackamas County Fund	126
Nonmajor Debt Service Funds:	
Nonmajor Debt Service Funds – Fund Descriptions	
Combining Balance Sheet	127
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	128
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual:	
Local Improvement District September 15, 2000 Issue Fund	129
Public Service Building Debt Service Fund	130
Development Services Building Debt Service Fund	131
Public Safety Training Center Debt Service Fund	132
Sheriff Facilities Debt Service Fund	133
Clackamas County Development Agency –	
Clackamas Town Center Tax Increment Fund	134
Clackamas Industrial Area Tax Increment Fund	135
North Clackamas Revitalization Area Tax Increment Fund	136
Schedules of Expenditures, and Changes in Fund Balance – Budget to Actual:	
North Clackamas Parks and Recreation District –	
Series 2010 Debt Service Fund	137
Series 2008 Debt Service Fund	138
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual:	
Estacada Area County Service District for Library Services Debt Service Fund	139
Nonmajor Capital Projects Funds:	
Nonmajor Capital Projects Funds – Fund Descriptions	
Combining Balance Sheet	140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)	141
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget to Actual:	
DTD Capital Projects Fund	142

	<u>Page</u>
<b>FINANCIAL SECTION (Continued):</b>	
<b>SUPPLEMENTARY INFORMATION (Continued):</b>	
Nonmajor Capital Projects Funds (Continued)	
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual:	
Capital Projects Reserve Fund	143
Local Improvement District Capital Projects Fund	144
Clackamas Broadband Innovation Initiative Fund	145
Fleet Replacement Reserve Fund	146
Clackamas County Development Agency –	
Clackamas Town Center Development Area Fund	147
Clackamas Industrial Development Area Fund	148
Government Camp Development Area Fund	149
North Clackamas Revitalization Area Fund	150
North Clackamas Parks and Recreation District –	
Capital Projects Fund	151
Capital Asset Reserve Fund	152
Internal Service Funds:	
Internal Service Funds – Fund Descriptions	
Combining Statement of Net Assets	153
Combining Statement of Revenues, Expenses, and Changes in Net Assets	154
Combining Statement of Cash Flows	155
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual:	
Self-Insurance Fund	156
Risk Management Claims Fund	157
Cable Administration Fund	158
Records Management Fund	159
Facilities Management Fund	160
Electronic Services Fund	161
Central Dispatch Fund	162
Fleet Services Fund	163
Technology Services Fund	164
Nonmajor Proprietary Funds:	
Proprietary Funds – Fund Descriptions	
Combining Statement of Net Assets	165
Combining Statement of Revenues, Expenses, and Changes in Net Assets	166
Combining Statement of Cash Flows	167
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual:	
Clackamas County Service District No. 5 Fund	169
Clackamas County Surface Water Management Agency of Clackamas County Fund	170
Stone Creek Golf Course Fund	171

CLACKAMAS COUNTY, OREGON

TABLE OF CONTENTS

CLACKAMAS COUNTY, OREGON

TABLE OF CONTENTS

	<u>Page</u>
<b><u>FINANCIAL SECTION (Continued):</u></b>	
<b><u>SUPPLEMENTARY INFORMATION (Continued):</u></b>	
Trust and Agency Funds:	
Statement of Changes in Assets and Liability – Agency Fund	172
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual:	
Sheriff's Office Retiree Medical Fund	173
Other Financial Schedules:	
Schedules of Cash Receipts and Turnovers:	
Assessor – Tax Department	174
County Clerk	175
Sheriff - Civil and Criminal	176
Assessor – Tax Collector	177
Schedule of Cash Receipts and Disbursements - Treasurer	178
Schedule of Property Tax Transactions and Outstanding Balances	179
<b><u>STATISTICAL SECTION:</u></b>	
Net Assets by Component – Last Ten Fiscal Years	180
Changes in Net Assets by Component – Last Nine Fiscal Years	181
Fund Balances, Governmental Funds (Modified Accrual Basis of Accounting) – Last Ten Fiscal Years	183
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	184
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	185
Direct and Overlapping Property Tax Rates – Year Ended June 30, 2011	186
Principal Property Tax Payers – June 30, 2011 and Nine Years Ago	187
Property Tax Levies and Collections – Last Ten Fiscal Years	188
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	189
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	190
Direct and Overlapping Debt – June 30, 2011	191
Legal Debt Margin – Last Ten Fiscal Years	193
Pledged Revenue Coverage – Last Ten Fiscal Years	194
Demographic Statistics – Last Ten Fiscal Years	195
Principal Employers – June 30, 2011 and Nine Years Ago	196

	<u>Page</u>
<b><u>FINANCIAL SECTION (Continued):</u></b>	
<b><u>STATISTICAL SECTION (Continued):</u></b>	
Full-time Equivalent Employees by Function/Program – Last Ten Fiscal Years	197
Operating Indicators by Function/Program – Last Nine Fiscal Years	198
Capital Asset Statistics by Function/Program – Last Nine Fiscal Years	199
<b><u>AUDIT COMMENTS AND FEDERAL GRANT PROGRAMS:</u></b>	
<b><u>AUDIT COMMENTS:</u></b>	
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	200



MARC GONZALES  
DIRECTOR

DEPARTMENT OF FINANCE

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

March 22, 2012

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, 2011 is hereby submitted as mandated by state statutes. These statutes require that Clackamas County issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of Clackamas County governmental and business type activities. All disclosures necessary to enable the reader to gain an understanding of Clackamas County's activities have been included.

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

State statutes require an annual audit by independent certified public accountants. The accounting firm of Moss-Adams, LLP, was selected to perform the audit for the year ended June 30, 2011. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984 and related OMB Circular A-133. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

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

**INTRODUCTORY SECTION**

To the Board of County Commissioners and the  
Citizens of Clackamas County, Oregon:  
March 22, 2012

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, 2011 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.

The population of the County is growing slowly since the start of the recession which began in 2008. The County has an estimated population of 378,485 (an approximate 0.5% increase since it was measured in 2010 during the decennial U.S. Census) according to the Portland State University Population Research Center. Clackamas County remains one of the more developable parts of the state and of the Pacific Northwest. This is promoted by affordable housing prices in certain areas, and the availability of desirable building lots in some relatively undeveloped cities such as Happy Valley and Damascus.

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

In January 2009, two additional commissioners joined the Board, bringing the membership of the Board of County Commissioners to five positions. This change from the historical three-member Board was approved by voters in November 2007. One of the two newest members, whose terms expired at the end of 2010, ran for election to a full term in November 2010. Commissioner Bob Austin was defeated by challenger Paul Savas; his term expires in 2015. Commissioner Jamie Damon was appointed by the other members of the Board to fill the Commissioner position vacancy created when Charlotte Lehan assumed the Chair responsibilities after the departure of former Board

To the Board of County Commissioners and the  
Citizens of Clackamas County, Oregon:  
March 22, 2012

Chair Lynn Peterson. Ms. Peterson left to take a job as policy advisor to Oregon's Governor on transportation and sustainability issues.

The Chair, unlike in some other 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.

Today, with the rapid changes affecting Clackamas County, the Board is expected to have a full-time workload and employment status. However, the ordinance passed by the voters directed the Board to re-examine board governance issues, including the full-time or part-time nature of the positions as well as geographical representation by the five Commissioner positions, in the spring of 2011. That discussion has begun and will continue into 2012.

Daily administrative functions are overseen by an appointed County Administrator, while the Board of Commissioners sets policy, adopts the annual budget and passes ordinances in accordance with state law. The County's chief administrative officer at June 30, 2011, Steve Wheeler, joined Clackamas County on July 1, 2006 as Deputy County Administrator. In March of 2009, the previous County Administrator Jonathan Mantay resigned his position; the Board appointed Mr. Wheeler to act as County Administrator until a decision was made for Mr. Mantay's replacement. In December 2009, the Board of Commissioners selected Steve Wheeler to take the appointment as the new County executive.

Also included in this report are the activities of the 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 will hear traffic violation cases, small claims and other judicial matters once coming before the Circuit Court, an eleventh elected position was created. Justice Court Judge Karen Brisbin was appointed by the Governor and successfully ran for election in November 2010.

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

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

To the Board of County Commissioners and the  
Citizens of Clackamas County, Oregon:  
March 22, 2012

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;
- The Estacada Area Service District for Library Services, and
- the Housing Authority of Clackamas County, providing housing services to individuals meeting federal criteria as low income residents;

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

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

#### **Budgeting Controls**

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

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

The Budget Committee, comprised of the Commissioners and an equal number of citizen members appointed by the Commissioners, establishes expectations and budgetary policy targets for the upcoming budget season prior to January of each year. For the upcoming 2012-2013 budget process, the ten-member Budget Committee will consider the proposed budget submitted by the Budget Officer, Mr. Wheeler.

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

To the Board of County Commissioners and the  
Citizens of Clackamas County, Oregon:  
March 22, 2012

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

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

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

#### **Local Economic Condition and Outlook**

The State of Oregon, trailing the developments affecting the national economy, is now in a similarly weakened but improving economic position with moderating unemployment, gradual unfreezing of business credit, and other encouraging economic indicators. The December 2011 figures from Oregon's State Economist show Oregon's improvement from December 2010's 38<sup>th</sup> among the 50 states in job growth to a rank of 13th. In 2011-12 factors affecting Oregon's counties with federally owned stands of salable timber include the end of the extended payments from the federal government to offset the loss of logging activities, which once provided revenues supporting those counties. In some southern and coastal counties with small tax bases and low property tax rates, these changes will be catastrophic. Clackamas County will fare better, owing in part to a long-held view that these dollars would cease to flow, giving time to prepare for the end of such payments.

Former State Economist Tom Potiowsky reported last year that the "technical recession in Oregon ended in Fall 2010 and that a 'jobless' recovery has taken hold". He predicted only moderate growth in jobs through 2011 and continued weakness in housing prices, which has been borne out. The areas he expected to recover first include professional and business services, health care services, computer and electronic products and retail.

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

To the Board of County Commissioners and the  
Citizens of Clackamas County, Oregon:  
March 22, 2012

Clackamas County passed through the end of the decade of steady growth in population and development as the recession of 2008-09 took hold. For *ad valorem* property taxation in the fiscal year beginning July 2011, taxable real estate assessed values (as calculated by County Assessor Bob Vroman) grew slightly to \$38 billion; this represents a strong holding pattern in local property valuation in spite of the reductions in property values elsewhere in the US, as a result of the national economy. Real market property values did decline somewhat throughout 2011, but not to the point of triggering reductions in assessments for taxation purposes.

Given these conditions, Clackamas County continues to draw in its fiscal belt as it prepares the budget for the next fiscal period and the ones beyond. With a still healthy General Fund as of the end of the 2010-11 fiscal year, and revenues expected to remain at acceptable levels in 2011-12, the county is proceeding cautiously and continuing to curtail discretionary expenditures.

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

### Long Term Planning Efforts and Major Initiatives

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

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

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

To the Board of County Commissioners and the  
Citizens of Clackamas County, Oregon:  
March 22, 2012

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

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

In March 2009, after accepting a Facilities Master Plan for County Sheriff's functions, the Commissioners authorized improvements to the existing jail to correct facility problems, add 50 new beds, and provide a new medical care unit. An additional project the Board approved was to create a centralized Sheriff's Office in the Clackamas area by repurposing the County's vacant Sunnybrook Service Center. The Sunnybrook remodel and improvements to the existing jail at the Red soils campus property are complete, with occupancy occurring in summer 2011 for Sunnybrook, and jail improvements largely finished by the end of calendar 2011.

In May 2010 the County purchased a 70,000 square foot warehouse facility adjacent to the campus in the Red Soils area and will site several County functions within it over time. One function to be located in the building will be a new Sheriff's Evidence Processing Facility for the storage and indexing of evidence for criminal cases.

These projects benefiting the Sheriff's operations are estimated to cost approximately \$29.5 million, and will provide for interim solutions to the longer-term detention capacity and safety issues at the County jail, as well as centralizing Sheriff's Office operations.

The Board has also authorized and the County has begun a project addressing facility needs of the District Attorney's Office, Emergency Management, Central Dispatch and Juvenile. The project is structured into four parts - an examination of existing conditions, analysis of future needs, options for existing spaces and feasibility assessment and schematic design for future locations. The desired outcome of this project is to develop an updated section of the County's Facilities Master Plan for these important components of the Public Safety segment of County operations.

To the Board of County Commissioners and the  
Citizens of Clackamas County, Oregon:  
March 22, 2012

#### **Relevant Financial Policies**

The County has established targets for ending fund balances, which, coupled with austerity measures applied throughout the County government, have yielded annual increases in fund balance in the County's General Fund over the last several years, even as increasing provisions for capital reserves have been budgeted and transferred. In the last ten years, General Fund ending balances have grown from \$7.1 million to over \$23 million at the end of fiscal 2010-11. This is primarily attributable to the County's focus on building reserves and resources available to fund contingencies, and to a lesser extent to the adoption of Governmental Accounting Standards Board Statement Number 54 requirements on financial reporting. The Commissioners approved a Contingency and Reserves budgeting policy in February 2012, setting targets for financial reserves in the General Fund at 10% of total annual budgeted revenue levels and Contingency targets at 5% of the same measure. The implementation of GASB 54 brought additional funds under the umbrella of the General Fund for financial reporting purposes effective with the year ended June 30, 2011.

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

#### **Awards and Acknowledgements**

##### **Awards**

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Clackamas County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. That was the 18<sup>th</sup> year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

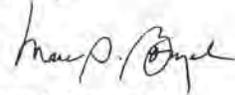
To the Board of County Commissioners and the  
Citizens of Clackamas County, Oregon:  
March 22, 2012

#### **Acknowledgments**

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

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

Sincerely,



Marc S. Gonzales  
Finance Director

# 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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



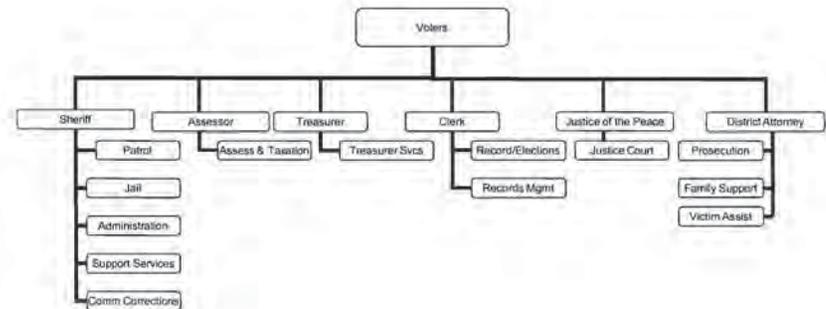
*Linda C. Danison*

President

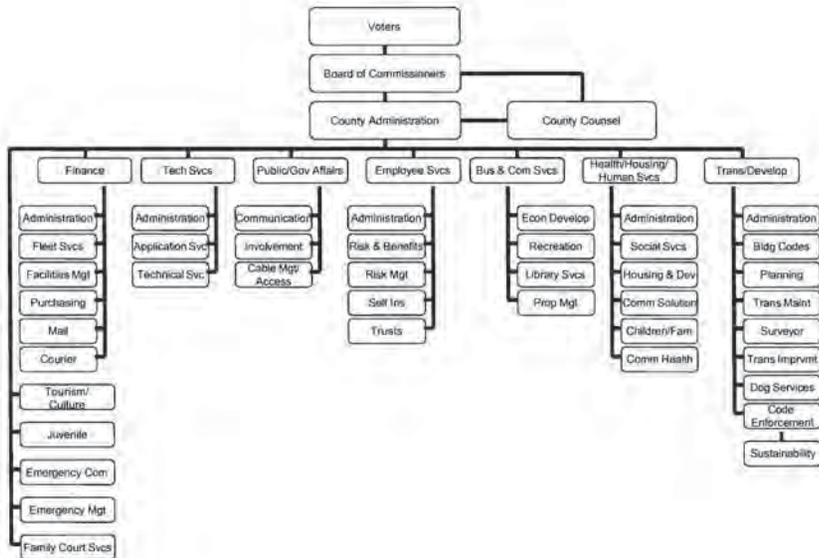
*Jeffrey R. Enns*

Executive Director

## Clackamas County Elected Officials



## All Other Departments



## CLACKAMAS COUNTY, OREGON

### PRINCIPAL OFFICIALS

JUNE 30, 2011

### BOARD OF COUNTY COMMISSIONERS

<u>Title</u>	<u>Name</u>
Commissioner, Chair	Charlotte Lehan
Commissioner	Jim Bernard
Commissioner	Jamie Damon
Commissioner	Ann Lininger
Commissioner	Paul Savas

### 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	Steve Wheeler
Finance Director	Marc Gonzales
Employee Services Director	Nancy Drury
Public and Government Affairs Interim Director	Gary Schmidt
Human Services Director	Cindy Becker
Transportation and Development Director	Cam Gilmour
Water Environment Services Director	Michael Kuenzi
Business and Community Services Director	Gary Barth
Juvenile Director	Eilen Crawford
Emergency Management Director	Dana Robinson
County Counsel	Stephen Madkour
Technology Services Director	David Cummings
Communications Department (C-Com) Director	Bob Cozzie
Family Court Services Director	Lauren MacNeill

## REPORT OF INDEPENDENT AUDITORS

Board of County Commissioners  
 Clackamas County, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clackamas County (the "County"), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit which represent 0.4 percent, 0.0 percent, and 2.9 percent, respectively, of the assets, net assets, and revenues of the aggregate remaining opinion unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the discretely presented component unit, are based solely on the report of other auditors.

### FINANCIAL SECTION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our 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, each major fund, and the aggregate remaining fund information of Clackamas County, Oregon, as of June 30, 2011, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2012 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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

MOSS-ADAMS LLP

The management's discussion and analysis and budgetary comparison schedules on pages 3 through 13 and 65 through 69, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis on pages 3 through 13, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The budgetary comparison schedules on pages 65 through 69 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Clackamas County's basic financial statements. The introductory section, supplementary information, and statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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 express no opinion on them.



For Moss Adams LLP  
Eugene, Oregon  
March 22, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

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, 2011. 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 twelve component units included in this presentation. They include eleven blended components, the Clackamas County Development Agency (CCDA), Clackamas County Enhanced Law Enforcement District (CCELED), North Clackamas Park and Recreation District (NCPRD), Clackamas County Service District No. 1 (CCSD-1), a sanitary sewer district, Clackamas County Service District No. 5 (CCSD-5), a street and highway lighting district, Tri-City Service District (TCSD), a sanitary sewer district, Surface Water Management Agency of Clackamas County (SWMACC), the Housing Authority of Clackamas County, Oregon (HACC), the Estacada Area County Service District for Library Services (EACSDLs), the Clackamas County Extension and 4-H Service District, and the Library District of Clackamas County (LDCC). In addition, the Workforce Investment Council of Clackamas County, Inc. is displayed as a discrete component unit.

**FINANCIAL HIGHLIGHTS**

- The assets of Clackamas County exceeded its liabilities at June 30, 2011 by \$1,070,414 (reported as net assets). Of those net assets, \$102,044 are restricted for specific purposes.
- The total net assets of Clackamas County increased by \$9,739 or 0.9% in fiscal year 2011. Various reasons account slight increase in net assets, which are discussed by management below.
- Total assets for governmental activities increased by \$6,736 or 0.6% over the prior year and total liabilities increased by \$3,617 or 1.5% in fiscal year 2011.
- In the governmental activities, revenue from fees, fines, and charges for services increased by \$2,546 or 8.8% over the prior year as the economy showed signs of recovery. Operating grants, capital grants, and contributions decreased in total over the prior year by \$2,004 or 1.4%, due to changes various grants and state funding.
- Property tax revenues increased by \$1,668 or 1.2% over the prior year.
- Interest and investment earnings for governmental activities decreased by \$791 or 40.2% over the prior year, due to the continued decline in the rate of return on investments.
- General government expenses for governmental activities decreased by \$1,089 or 3.5% from the prior year, as funds were diverted to other services.
- Net assets for business-type activities increased by \$6,594 or 2.9% in fiscal year 2011 and revenues increased in all categories.
- Total assets for business-type activities increased by \$31,686 or 9.3% over the prior year and total liabilities increased by \$25,092 or 22.0% in fiscal year 2011.

CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2011

**FINANCIAL HIGHLIGHTS (Continued)**

- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$166,190, a decrease of \$2,981 or 1.8%.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23,206, or approximately 40.2% of total General Fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2011

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Fund financial statements (Continued).** *Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities in the government-wide financial statements.

The County maintains sixty-four individual governmental funds 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, Community Health Fund, Clackamas Mental Health Organization Fund, Sheriff Operations Fund, and the DTD Capital Projects Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Six 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 71 through 72 of this report for information on the combined General Fund.

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

*Proprietary Funds.* The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its low income housing, sanitary and sewer operations, surface water management, street lighting, and the County's golf course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its risk management and self-insurance activities, 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.

CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2011

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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

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

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

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

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

**Required supplementary information (RSI).** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, specifically budgetary comparison schedules for the General and major special revenue funds. Required supplementary information can be found on pages 65 through 69 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

**CLACKAMAS COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**JUNE 30, 2011**

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

A condensed Statement of Net Assets at June 30, 2011 and 2010 follows:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 257,135	\$ 261,147	\$ 79,381	\$ 71,591	\$ 336,517	\$ 332,738
Capital assets, non-depreciable	476,425	445,256	34,479	105,987	510,904	551,243
Capital assets, depreciable	342,884	363,475	258,056	162,433	600,941	525,908
Intangible assets, net	590	394	388	606	978	1,002
Total assets	\$ 1,077,035	\$ 1,070,272	\$ 372,305	\$ 340,619	\$ 1,449,339	\$ 1,410,891
Current liabilities	83,716	77,531	11,843	12,171	95,559	89,702
Liabilities due after one year	156,294	158,862	127,072	101,652	283,366	260,514
Total liabilities	240,010	236,393	138,915	113,823	378,925	350,216
Net assets:						
Invested in capital assets, net of related debt	687,574	648,766	194,373	181,457	881,947	831,233
Restricted:						
Culture, education and recreation	3,211	415	-	10,298	3,211	10,713
Debt service	32,999	3,201	12,150	-	45,150	3,201
Economic development	870	-	-	870	-	-
General government	158	-	-	-	158	-
Health and human services	18,642	-	-	-	18,642	-
Public protection	5,391	-	-	-	5,391	-
Public ways and facilities	40,773	-	-	-	40,773	-
Unrestricted	47,406	180,497	26,887	35,031	74,273	215,528
Total net assets	\$ 837,024	\$ 833,879	\$ 233,390	\$ 226,796	\$ 1,070,414	\$ 1,060,675

For governmental activities, total assets increased \$6,763 or 0.6% during fiscal 2011, owing primarily to an increase in non-depreciable capital assets, specifically, construction in process.

Restricted net assets changed considerably from the prior year with the implementation of GASB 54. These assets are reported as restricted in the governmental fund financials and in the Statement of Net Assets.

Total net assets for governmental activities increased \$3,145 or 0.4% over the previous year. Current year growth of net assets is discussed below in the Statement of Activities section.

Business-type activities report an increase in total assets of \$31,866 or 9.3% during fiscal 2011, resulting primarily from an increase in capital assets due to the new wastewater treatment plant in the Tri-City Service District. Overall, liabilities increased \$25,092 or 22.0% from the prior year, with an increase in long-term liabilities that reflects the issuance of bonds by Service District No. 1 in the amount of \$23,710.

Total net assets for business-type activities increased \$6,594 or 2.9% over the previous year. Net asset increases are discussed in the following Statement of Activities section.

**CLACKAMAS COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**JUNE 30, 2011**

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

A condensed Statement of Activities for the years ended June 30, 2011 and 2010 follows:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Fees, fines, charges for services	\$ 31,457	\$ 28,911	\$ 34,886	\$ 45,754	\$ 66,343	\$ 74,665
Operating grants and contributions	129,875	109,951	19,915	3,124	149,790	113,075
Capital grants and contributions	7,197	29,125	6,026	5,921	13,224	35,046
General revenues:						
Property taxes	139,019	137,351	-	-	139,019	137,351
Other taxes	2,683	4,394	-	-	2,683	4,394
Gain on disposal of assets	562	2,744	-	-	562	2,744
Investment earnings	1,174	1,965	510	820	1,684	2,785
Miscellaneous	2,679	1,943	826	1,604	3,505	3,547
Total revenues	314,848	316,384	62,163	57,223	376,811	373,607
Expenses:						
General government	29,841	30,792	-	-	29,841	30,792
Public protection	102,841	95,814	-	-	102,841	95,814
Public ways and facilities	47,528	39,637	-	-	47,528	39,637
Health and human services	69,901	63,101	-	-	69,901	63,101
Culture, education and recreation	32,027	36,081	-	-	32,027	36,081
Economic development	23,227	19,953	-	-	23,227	19,953
Interest and fiscal charges	6,138	6,509	-	-	6,138	6,509
Sanitary sewer and surface water	-	-	30,721	26,751	30,721	26,751
Housing assistance	-	-	20,757	19,520	20,757	19,520
Golf	-	-	2,185	2,410	2,185	2,410
Lighting	-	-	1,906	1,822	1,906	1,822
Total Expenses	311,503	291,887	55,569	50,503	367,072	342,390
Increase in net assets before transfers	3,145	24,497	6,594	6,720	9,739	31,217
Transfers	-	239	-	(239)	-	-
Increase in net assets	3,145	24,736	6,594	6,481	9,739	31,217
Net assets, beginning of year	833,879	809,143	226,796	220,315	1,060,675	1,029,458
Net assets, end of year	\$ 837,024	\$ 833,879	\$ 233,390	\$ 226,796	\$ 1,070,414	\$ 1,060,675

For the governmental activities, 2011 total revenue decreased \$1,736 or 0.5% compared to the prior year. Fees, fines and charges for services increased by \$2,556 or 8.8%, as the economy began to recover. Property taxes increased modestly by \$1,668 or 1.2%. Most other categories declined due to the current economic conditions. Operating grants and contributions increased by \$19,924 or 18.1% while capital grants and contributions decreased by \$21,928 or 75.3%, for a net decrease of \$2,004 or 1.4%. The shifts are largely due to changes in the nature of grants received this year compared to the prior year. The County continues to pursue grant funding as an alternative means of sustaining services during the slow economic recovery. A decrease in investment earnings in the amount of \$791 or 40.3% resulted from the County safe-keeping funds in only the most conservative investments, per its investment policy, during the continued period of market instability.

CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2011

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

For the governmental activities, 2011 total expenses increased \$19,616 or 6.7% compared to the prior year. Increases were reported in Public Protection of \$7,027 or 7.3%, Public Ways and Facilities \$7,891 or 19.9%, Health and Human Services of \$6,880 or 10.8%, and Economic Development of \$3,274 or 16.4%. Decreases were reported in General Government of \$951 or 3.1%, and Culture, Education, and Recreation of \$4,054 or 11.2%. Public Protection expense increased primarily at the Sheriff's Office, with the growth in spending funded by various new grants. Public Ways and Facilities expense increased due to the undertaking on new capital projects, such as the broadband network, in addition to completing projects like the Stafford Road Bridge and road realignment. Health and Human Services increased due to a rise in demand for mental and public health services as many County residents lost their jobs and health insurance during the recession. Interest and Fiscal Charges increased as the Development Agency issued bonds. Economic Development increased due to the recovery of the economy and increasing demand for services. General Government expense declined modestly owing to belt-tightening to trim expenses across all services in response to recessionary pressures and recognition of the upcoming end of federal timber related revenues. Culture, Education, and Recreation decreased as the Estacada Library District's debt was defeased in the prior year.

For the business-type activities, 2011 total revenues increased \$4,940 or 8.6% compared to the prior year. Operating grants and contributions increased by \$16,791 or 537.5% while capital grants and contributions increased by \$105 or 1.8%, for a net increase of \$16,896 or 186.8%. The shifts are largely due to increased grants revenues within the Housing Assistance and Sanitary Sewer and Surface Water activities. Fees, fines and charges for services decreased by \$10,869 or 23.8% within the Housing Assistance activities. A decrease in investment earnings in the amount of \$310 or 37.8% resulted from the County safe-keeping funds in only the most conservative investments, per its investment policy, during the continued period of market instability.

For the business-type activities, 2011 total expenses increased \$5,066 or 10.0% compared to the prior year. Increases of \$3,970 or 14.8% were reported in the Sanitary Sewer and Surface Water activities, largely due to the construction of a new wastewater treatment plant. Increases of \$1,237 or 6.3% were reported for the Housing Assistance. Increases of \$84 or 4.6% were reported for Lighting activities, as costs increased. Decreases of \$225 or 9.3% were reported for Golf course activities, due to lower facility management costs. Please see the Statement of Revenues, Expenses, and Changes in Net Assets, Proprietary Funds, for more detail relating to business type activities.

**FUND ANALYSIS**

The primary fund of the County, the General Fund, ended a year of operations with an increase in fund balance of \$1,276 or 5.8%. Total revenues in the General Fund increased \$1,662 or 1.2% over the prior year, due primarily to increases in charges for services of \$1,436 or 10.3%, licenses and permits of \$503 or 33.0%, and property taxes of \$401 or 0.4%; which were offset by decreases in fines, forfeitures, and penalties of \$221 or 36.5%, intergovernmental revenue of \$637 or 6.2%, and interest of \$96 or 35.3%. Expenditures increased by \$5,841 or 11.3% during the year were primarily in County administration and departments under the various

CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2011

**FUND ANALYSIS (Continued)**

elected officials, in addition to the combining of several funds into the General Fund, as required by GASB 54.

The Community Health Fund reported an ending fund balance of \$13,272, which was an increase of \$8,351 or 169.7% from the prior year ending fund balance. Revenues increased \$8,460 or 23.5% over prior year revenues, mostly due to a pilot program accelerating collections of state Medicaid payments. Expenditures increased overall by \$3,251 or 9.2% from the prior year. There were increases in personal services of 6%, due to increases in staff wages, and in materials and services of 12.6%, related to programs for children, the developmentally disabled, and services to low-income patients for the current fiscal year.

The Clackamas Mental Health Organization Fund reported an ending fund balance of \$8,204, and a decrease of \$660 or 7.4% from the prior year ending fund balance. Revenues increased \$876 or 5.6% slightly over prior year revenues, due to an increase in State funding for mental health services and the transfer of all developmental disability programs to this fund. The increase in expenditures of \$5,267 or 44.7% over the prior year expenditures reflects increase in mental health services provided, in addition to the first full year of reporting for the developmental disabilities program.

The Sheriff Operations Fund reported an ending fund balance of \$2,697, which was a decrease of \$1300 or 32.5%. Revenues increased by \$392 or 2.5%, due to an increase in grant funding. Expenditures overall increased \$1,845 or 3.3%, with increases and decreases across the expenditure categories. Also, noteworthy is that this is the second time in the past five years that the transfers in from the General Fund remained steady, compared to the prior year, to fund the jail.

The DTD Capital Projects Fund reported an ending fund balance of \$2,802, which was an increase of \$2,464 or 729% from the prior year ending fund balance. Revenues decreased \$6,799 or 63.3% over prior year revenues, with declines in State funding for capital projects. Total expenditures decreased by \$4,635 or 78.6% of prior year expenditures, with a decrease in capital outlay of \$16,253 or 77.8%, as several large construction projects have been completed. In addition, transfers in from General Fund declined by \$422 or 96.2% due to budget reductions.

**CLACKAMAS COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**JUNE 30, 2011**

**FUND ANALYSIS (Continued)**

**General Fund Budgetary Highlights**

The General Fund budget was amended only minimally during the year. Budget amendments were small and limited in number.

Total revenues in the General Fund were under budget by \$1,014 or 0.8%. Property taxes exceeded budget by \$706, fines, forfeitures, and penalties exceeded budget by \$378, licenses and permits exceed budget by \$134 as well. Intergovernmental state revenues came in \$104 under budget due to reductions in state contracts and agreements. Miscellaneous revenues were under budget \$1,836 or 10.1% due to lower than expected payroll reimbursements from component units also reporting below budget personnel expense. Total expenditures in the General Fund were \$15,445 or 34.7% under budget, over expenditures occurring in County Counsel and Veteran Service Office. It should be noted that the Veteran Services Office is a new function in fiscal year 2011. Overall, the General Fund experienced an increase in fund balance on the budgetary basis of \$5,399 or 26.8%.

**CAPITAL ASSETS**

As of June 30, 2011, governmental activities had invested \$819,899 in capital assets net of depreciation. This was an increase of \$10,774 or 1.3% over the prior year. Infrastructure, net of depreciation, decreased \$13,724 or 6.7% during the year. Construction in progress increased \$29,285 or 44.7%, as new capital construction projects were started. These projects included significant improvements to roads and bridges, such as the Stafford Road Bridge and Road alignment and, new infrastructure, such as the Broadband network.

As of June 30, 2011, business type activities had invested \$292,923 in capital assets net of depreciation. This was an increase of \$23,895 or 8.9% over the prior year. Construction in progress decreased \$71,169 or 80.0% as the new wastewater treatment plant was placed in service. Accordingly, plants and line system net of depreciation increased \$96,450 or 66.9. Please see Note 1 for capital asset policy and Note 5 for capital asset activity.

A condensed schedule of capital assets, net of depreciation, for June 30, 2011 and 2010 follows:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land and right of way	\$ 381,578	\$ 379,694	\$ 16,698	\$ 17,007	\$ 398,246	\$ 396,701
Construction in progress	94,847	65,562	17,811	88,980	112,658	154,542
Intangibles	590	394	388	608	978	1,002
Buildings and improvements	134,630	140,406	13,999	14,838	148,629	155,244
Equipment and vehicles	18,398	19,489	2,163	2,053	20,561	21,542
Plants and line system	-	-	240,715	144,265	240,715	144,265
Infrastructure	189,856	203,580	-	-	189,856	203,580
Street lighting poles	-	-	1,179	1,277	1,179	1,277
<b>Total assets</b>	<b>\$ 819,899</b>	<b>\$ 809,125</b>	<b>\$ 292,923</b>	<b>\$ 269,028</b>	<b>\$ 1,112,822</b>	<b>\$ 1,078,153</b>

**CLACKAMAS COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**JUNE 30, 2011**

**DEBT ADMINISTRATION**

During fiscal year 2011, the County and its component units issued approximately \$29,710 of bonds. Under state law, the County has a debt limitation of 2.0% of the total assessed value of taxable property in Clackamas County. At June 30, 2011 the County was well below the legal limitation imposed under state law. Please see Note 8 for additional detail relating to long-term debt. Following is a condensed schedule of long-term debt as of June 30, 2011 and 2010:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Bonds payable</b>						
Revenue bonds	\$ 18,831	\$ 18,830	\$ 109,825	\$ 89,185	\$ 128,656	\$ 108,015
General obligation bonds	-	-	8,105	8,610	8,105	8,610
Full faith and credit obligations	110,570	113,380	4,630	4,895	115,200	118,275
Bancroft tax assessment bonds	-	-	1,400	-	-	1,400
Premiums	1,429	1,515	885	564	2,314	2,079
Discount	-	-	(174)	(164)	(174)	(164)
Deferred amount on refunding	-	(110)	(187)	(262)	(187)	(372)
<b>Total bonds payable</b>	<b>\$ 130,830</b>	<b>\$ 135,015</b>	<b>\$ 123,064</b>	<b>\$ 102,828</b>	<b>\$ 253,914</b>	<b>\$ 237,843</b>
<b>Other long-term debt:</b>						
Contracts, notes and loans payable	19,670	21,344	7,398	2,477	27,068	23,821
<b>Total long-term debt</b>	<b>\$ 150,500</b>	<b>\$ 156,359</b>	<b>\$ 130,462</b>	<b>\$ 105,305</b>	<b>\$ 280,982</b>	<b>\$ 261,664</b>

**ECONOMIC FACTORS**

Property taxes represent a significant revenue source for governmental activities. Approximately 95.0% of general revenues reported for the County as a whole in the Statement of Activities are property taxes. Approximately 44.1% of total revenues reported for governmental activities are property tax revenues. Property tax growth for the County and component units was 1.2%. Because the County is dependent upon taxes, it is appropriate to discuss the continued effect of Measure 50. The 1997 property tax limitation rolled back assessed values to 90 percent of 1995-96 levels, established permanent tax rates and limited assessed value growth for individual properties to 3 percent per year. Certain taxes, such as those levied to pay bonded debt, were exempted from Measure 50 reductions.

Many County programs, particularly Human Services and Community Corrections, are supported largely by State of Oregon revenues, which in turn are income tax based and dependent on a healthy employment picture. Indicators at the State level are helpful in predicting future County revenues. Year over year employment growth which had been above 2.0% since the second quarter of 2004 has turned around sharply since the end of the 2008 fiscal year. Rapid job losses have left Oregon with an unemployment rate hovering around 10.5% statewide. This has led to State income tax collections falling markedly for the two year State budgetary period, ending June 30, 2011. It appears extremely likely that state funding available to the County going forward will be significantly less than the funding level for the 2011 fiscal year.

CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2011

**ECONOMIC FACTORS (Continued)**

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

**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 ASSETS  
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total Primary Government	Workforce Investment Council of Clackamas County, Inc.
<b>ASSETS</b>				
Cash and investments	\$ 207,305,882	\$ 69,951,976	\$ 277,257,858	\$ 7,452
Taxes receivable	7,157,254	1,280	7,158,534	-
Accounts receivable, net	9,265,098	6,724,797	15,989,895	2,643
Assessments receivable including interest, net	1,867,912	922,008	2,789,920	-
Grants receivable	9,062,918	-	9,062,918	831,820
Notes and contracts receivable	8,462,474	91,921	8,554,395	-
Internal balances	1,191,374	(1,191,374)	-	-
Other assets	1,035,457	477,668	1,513,125	-
Land held for resale	10,647,137	928,392	11,575,529	-
Unamortized bond issuance costs	1,139,723	1,474,748	2,614,471	-
Capital assets:				
Capital assets not being depreciated	476,425,293	34,475,013	510,904,306	-
Depreciable capital assets, net of depreciation	342,884,257	258,056,286	600,940,543	8,284
Intangible assets, net of amortization	589,957	388,010	977,967	-
<b>TOTAL ASSETS</b>	<b>1,077,034,736</b>	<b>372,304,725</b>	<b>1,449,339,461</b>	<b>850,199</b>
<b>LIABILITIES</b>				
Accounts and claims payable	17,556,089	5,367,923	23,024,012	811,494
Accrued payroll	11,973,071	493,017	12,466,088	27,189
Deposits	854,240	115,451	969,691	-
Unearned revenue	31,443,988	101,419	31,545,407	-
Accrued interest payable	662,408	853,437	1,515,845	-
Other current liabilities	-	589,287	589,287	-
Noncurrent liabilities:				
Portion due or payable within one year				
Compensated absences	8,625,261	53,733	8,678,994	-
Bonds payable	10,952,592	3,995,000	14,947,592	-
Contracts, notes and loans payable	1,548,699	273,270	1,821,969	-
Portion due or payable after one year				
Compensated absences	1,177,285	161,199	1,338,484	-
Unearned revenue	-	462,400	462,400	-
Bonds payable	119,875,977	119,109,012	238,985,989	-
Contracts, notes and loans payable	18,121,142	7,129,639	25,250,681	-
Other postemployment benefits	17,118,588	209,946	17,328,534	-
<b>TOTAL LIABILITIES</b>	<b>240,010,340</b>	<b>138,914,633</b>	<b>378,924,973</b>	<b>838,683</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	687,574,117	194,372,885	881,947,002	-
Restricted:				
Culture, education and recreation	3,210,579	-	3,210,579	-
Debt service	32,999,312	12,150,365	45,149,677	-
Economic development	870,117	-	870,117	-
General government	157,978	-	157,978	-
Health and human services	18,642,290	-	18,642,290	-
Public protection	5,391,316	-	5,391,316	-
Public ways and facilities	40,772,538	-	40,772,538	-
Unrestricted	47,406,149	26,866,842	74,272,991	11,516
<b>TOTAL NET ASSETS</b>	<b>837,024,396</b>	<b>233,390,092</b>	<b>1,070,414,488</b>	<b>11,516</b>

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

CLACKAMAS COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

ACTIVITIES	Program Revenues				Net Revenue (Expense) and Changes in Net Assets			Component Unit
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		WCCO	
					Governmental Activities	Business-Type Activities		
<b>Primary government:</b>								
<b>Governmental activities:</b>								
General government	\$ 29,841,086	\$ 9,668,437	\$ 12,091,863	\$ -	\$ (7,880,786)	\$ -	\$ (7,880,786)	\$ -
Public protection	102,841,009	6,693,073	19,990,385	-	(76,157,610)	-	(76,157,610)	-
Public ways and facilities	47,527,685	2,197,316	23,879,246	7,197,147	(14,253,536)	-	(14,253,536)	-
Health and human services	69,900,694	6,901,013	56,510,733	-	(6,588,948)	-	(6,588,948)	-
Culture, education and recreation	32,027,317	5,650,312	2,962,561	-	(23,414,454)	-	(23,414,454)	-
Economic development	23,236,832	247,154	14,440,256	-	(8,539,422)	-	(8,539,422)	-
Interest and fiscal charges	6,138,140	-	-	-	(6,138,140)	-	(6,138,140)	-
<b>Total governmental activities</b>	<b>311,502,722</b>	<b>31,457,245</b>	<b>129,875,034</b>	<b>7,197,147</b>	<b>(142,973,296)</b>	<b>-</b>	<b>(142,973,296)</b>	<b>-</b>
<b>Business-type activities:</b>								
Sanitary sewer and surface water	30,721,215	26,619,292	4,877,816	5,293,800	-	6,069,723	6,069,723	-
Housing assistance	20,755,649	3,651,284	15,697,199	732,562	-	(1,135,624)	(1,135,624)	-
Delf	2,184,935	2,699,337	-	-	-	404,402	404,402	-
Lighting	1,900,008	1,825,815	-	-	-	(80,191)	(80,191)	-
<b>Total business-type activities</b>	<b>55,561,807</b>	<b>34,995,728</b>	<b>19,814,975</b>	<b>6,026,412</b>	<b>-</b>	<b>5,258,310</b>	<b>5,258,310</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 367,071,627</b>	<b>\$ 66,342,973</b>	<b>\$ 149,769,009</b>	<b>\$ 13,223,559</b>	<b>(142,973,296)</b>	<b>5,258,310</b>	<b>(137,714,986)</b>	<b>-</b>
<b>Component unit:</b>								
Workforce Investment Council of Clackamas County, Inc.	\$ 4,766,521	\$ -	\$ 4,752,396	\$ -	-	-	-	(4,125)
<b>GENERAL REVENUES</b>								
Property taxes levied for:								
General purposes	-	-	-	-	91,648,852	-	91,648,852	-
Public safety services	-	-	-	-	13,927,366	-	13,927,366	-
Parks and recreation operations	-	-	-	-	5,158,112	-	5,158,112	-
Education outreach services	-	-	-	-	1,722,033	-	1,722,033	-
Redevelopment districts, debt service	-	-	-	-	13,508,359	-	13,508,359	-
Library debt service	-	-	-	-	13,144,675	-	13,144,675	-
Other taxes not restricted to specific programs	-	-	-	-	2,683,197	-	2,683,197	-
Gain on disposal of assets	-	-	-	-	562,325	-	562,325	-
Earnings on investments	-	-	-	-	1,174,272	509,679	1,683,951	-
Miscellaneous	-	-	-	-	3,679,171	835,918	4,515,089	-
<b>Total general revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146,116,359</b>	<b>1,335,797</b>	<b>147,452,156</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>					<b>3,145,062</b>	<b>6,594,107</b>	<b>9,739,169</b>	<b>(4,125)</b>
<b>NET ASSETS, July 1, 2010</b>					<b>833,879,334</b>	<b>226,795,985</b>	<b>1,060,675,319</b>	<b>15,641</b>
<b>NET ASSETS, June 30, 2011</b>					<b>\$ 837,024,396</b>	<b>\$ 233,390,092</b>	<b>\$ 1,070,414,488</b>	<b>\$ 11,516</b>

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

CLACKAMAS COUNTY, OREGON  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2011

	General Fund	Community Health Fund	Clackamas Mental Health Organization Fund	Sheriff Operations Fund	DTD Capital Projects Fund	Non-Major Funds	Totals
<b>ASSETS</b>							
Cash and Investments	\$ 23,902,538	\$ 17,130,321	\$ 11,651,982	\$ 4,757,479	\$ 10,464,296	\$ 126,908,042	\$ 194,824,668
Taxes receivable	5,443,516	-	-	-	-	1,713,739	7,157,254
Accounts receivable	643,100	6,419,299	36,862	261,430	-	1,807,793	8,968,284
Assessment receivable	-	-	-	-	-	1,867,912	1,867,912
Grants receivable	12,476	124,848	-	609,737	420,638	7,993,316	9,061,015
Notes and contracts receivable	-	-	-	-	-	8,462,474	8,462,474
Due from other funds	2,057,869	345,268	-	640,640	2,032,397	11,718,557	16,794,749
Land held for resale	-	-	-	-	2,660,000	7,987,137	10,647,137
Prepaid items	-	-	78,256	-	-	840	79,096
Other assets	22,558	14,220	250,000	18,135	2,590	504,488	811,991
Interfund loan receivable	-	-	-	-	-	1,109,356	1,109,356
<b>TOTAL ASSETS</b>	<b>\$ 32,082,056</b>	<b>\$ 24,033,984</b>	<b>\$ 12,019,900</b>	<b>\$ 6,297,421</b>	<b>\$ 15,579,921</b>	<b>\$ 189,773,654</b>	<b>\$ 259,783,936</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Book overdraft	\$ 842,611	\$ -	\$ -	\$ -	\$ -	\$ 3,330,346	\$ 3,330,346
Accounts payable	325,323	1,630,853	572,766	193,071	8,058,812	11,623,436	11,623,436
Accrued payroll	2,798,421	1,358,583	-	2,861,001	-	4,010,071	11,028,076
Deferred contract receivable	-	-	-	-	-	7,842,173	7,842,173
Due to other funds	272,432	291,737	345,269	164,334	25,187	15,950,901	17,049,860
Deposits	127,660	2,983	-	-	-	723,397	854,240
Deferred revenue	4,679,647	8,783,704	1,838,790	2,098	12,559,251	13,754,860	41,613,570
Interfund loans payable	-	-	-	-	-	252,278	252,278
<b>TOTAL LIABILITIES</b>	<b>8,717,971</b>	<b>10,762,330</b>	<b>3,812,562</b>	<b>3,809,199</b>	<b>12,777,509</b>	<b>53,923,088</b>	<b>93,593,979</b>
<b>Fund balances (deficit):</b>							
Nonspendable	-	-	78,256	-	2,660,000	8,240,255	10,978,511
Restricted	157,976	9,355,195	7,981,886	-	142,412	84,968,971	102,186,542
Committed	-	-	-	2,697,222	-	1,492,546	4,189,858
Assigned	-	3,916,459	563,756	-	-	22,464,966	29,545,181
Unassigned	23,206,107	-	-	-	-	(1,316,252)	21,889,855
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>23,364,085</b>	<b>13,271,654</b>	<b>8,203,988</b>	<b>2,697,222</b>	<b>2,802,412</b>	<b>115,850,586</b>	<b>166,189,957</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 32,082,056</b>	<b>\$ 24,033,984</b>	<b>\$ 12,019,900</b>	<b>\$ 6,297,421</b>	<b>\$ 15,579,921</b>	<b>\$ 189,773,654</b>	<b>\$ 259,783,936</b>

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

CLACKAMAS COUNTY, OREGON  
RECONCILIATION OF STATEMENT OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET ASSETS  
JUNE 30, 2011

<b>TOTAL FUND BALANCE</b>	<b>\$ 166,189,957</b>
Total net assets shown in the Statement of Net Assets are different because:	
Capital assets are not financial resources for budgetary purposes and therefore are not reported in the governmental funds.	813,147,210
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.	18,255,136
Compensated absences not payable in the current year are not recorded as governmental fund liabilities	(9,057,467)
Other postemployment benefits are not recognized as a governmental fund liability	(15,727,239)
Long-term assets, such as bond discount and issuance costs, are not reported as governmental fund assets and liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expense when it is due. These long-term assets and liabilities consist of:	
Bond issuance costs	\$ 1,139,723
Accrued interest payable	(662,408)
Bonds payable, net of bond premium	(130,829,569)
Contracts, notes, and loans payable	(19,669,841)
Total	(150,022,095)
Internal service funds are used by management to charge the costs of insurance, facilities management, risk management, and other services to individual funds. Their assets and liabilities are included in the Statement of Net Assets.	14,238,694
<b>TOTAL NET ASSETS</b>	<b>\$ 837,024,396</b>

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

CLACKAMAS COUNTY, OREGON  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Community Health Fund	Clackamas Mental Health Organization Fund	Sheriff Operations Fund	DTD Capital Projects Fund	Non-Major Funds	Totals
<b>REVENUES:</b>							
Property taxes	\$ 92,038,835	\$ -	\$ -	\$ -	\$ -	\$ 47,443,774	\$ 139,482,609
Other taxes	-	-	-	-	-	2,683,197	2,683,197
Licenses and permits	2,024,752	824,689	-	284,960	130,187	7,135,472	10,400,040
Fines, forfeitures, and penalties	384,734	17,436	-	78,479	-	4,183,561	4,662,230
Special assessment collections	-	-	-	-	-	132,710	132,710
Interest	176,589	44,869	52,897	8,206	-	893,941	1,174,272
Intergovernmental	9,669,387	31,150,253	16,346,154	6,927,277	3,809,221	72,572,671	142,470,963
Charges for services	15,436,236	12,287,429	-	2,211,956	-	16,317,812	46,253,436
Contributions	54,252	14,563	-	12,659	-	220,102	301,576
Miscellaneous	14,952,290	187,444	-	4,954,730	1,102	3,803,291	23,598,857
<b>TOTAL REVENUES</b>	<b>134,733,075</b>	<b>44,526,463</b>	<b>16,399,021</b>	<b>16,174,299</b>	<b>3,940,510</b>	<b>155,386,551</b>	<b>371,159,889</b>
<b>EXPENDITURES:</b>							
Current:							
General government	44,564,078	-	-	-	-	9,056,391	53,620,469
Public protection	-	-	-	57,948,216	-	47,832,302	105,780,516
Public ways and facilities	-	-	-	-	-	30,382,960	30,382,960
Health and human services	2,410,230	38,637,637	17,059,272	-	-	20,164,964	78,272,103
Economic development	3,274,546	-	-	-	-	17,318,144	20,592,690
Culture, education and recreation	5,753,539	-	-	-	-	24,637,508	30,391,047
Debt service:							
Principal	-	-	-	-	-	12,580,292	12,580,292
Interest and fiscal charges	-	-	-	-	-	5,642,202	5,642,202
Miscellaneous	-	-	-	-	-	30,803	30,803
Capital outlay	1,723,909	95,674	-	86,750	4,635,048	35,337,863	41,879,244
<b>TOTAL EXPENDITURES</b>	<b>57,726,302</b>	<b>38,733,311</b>	<b>17,059,272</b>	<b>58,034,966</b>	<b>4,635,048</b>	<b>202,963,429</b>	<b>379,172,328</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>77,006,773</b>	<b>5,793,152</b>	<b>(660,251)</b>	<b>(41,860,667)</b>	<b>(694,538)</b>	<b>(47,596,878)</b>	<b>(6,012,439)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Issuance of debt	-	-	-	-	-	8,000,000	8,000,000
Proceeds from sale of capital assets	-	2,945	-	34,873	422,258	102,249	562,325
Transfers in	17,985,515	2,899,261	-	41,780,202	2,736,782	50,032,961	115,434,721
Transfers out	(93,716,147)	(345,222)	-	(1,253,779)	-	(21,649,985)	(116,965,132)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(75,730,632)</b>	<b>2,566,984</b>	<b>-</b>	<b>40,561,296</b>	<b>3,159,040</b>	<b>34,485,225</b>	<b>5,031,913</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,276,141</b>	<b>8,350,136</b>	<b>(660,251)</b>	<b>(1,299,401)</b>	<b>2,464,502</b>	<b>(13,111,653)</b>	<b>(2,980,526)</b>
<b>FUND BALANCES, JUNE 30, 2010</b>	<b>22,087,944</b>	<b>4,921,518</b>	<b>8,664,249</b>	<b>3,995,623</b>	<b>337,910</b>	<b>128,962,239</b>	<b>169,170,483</b>
<b>FUND BALANCES, JUNE 30, 2011</b>	<b>\$ 23,364,085</b>	<b>\$ 13,271,654</b>	<b>\$ 8,203,998</b>	<b>\$ 2,697,222</b>	<b>\$ 2,802,412</b>	<b>\$ 115,850,586</b>	<b>\$ 168,159,957</b>

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

CLACKAMAS COUNTY, OREGON  
 RECONCILIATION OF STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL  
 FUNDS TO STATEMENT OF ACTIVITIES  
 JUNE 30, 2011

<b>NET CHANGE IN FUND BALANCES</b>	\$	(2,980,526)
The change in net assets 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	41,347,689	
Depreciation	(26,033,845)	15,313,844
Disposals of capital assets		(5,064,862)
Long-term debt principal payments are recorded as expenditures in the governmental funds and issuance of long-term debt is recorded as an other financing source. In the Statement of Activities issuance of long-term debt reduces net assets and the payment of long-term debt principal increases net assets.		
Issuance of long-term debt		(6,000,000)
Deferred refunding		(110,465)
Payment of long-term debt principal		10,209,610
Bond premium amortization		85,791
Cost of issuing new debt is recorded as an expenditure in the governmental funds but is capitalized and amortized over the life of the bonds in the Statement of Activities.		
Issuance costs and amortization		(34,249)
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 assets and the payment of contract principal increases net assets.		
Payment of loan and contract principal		1,674,120
In the Statement of Activities interest expense is accrued on long-term debt. In the governmental funds interest expense is only recognized when it is due.		290,350
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.		(5,947,571)
Compensated absences are recognized as expenditures in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as expenses when they are earned.		(37,209)
OPEB expense not recognized on the governmental fund statements		(3,549,995)
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.		(703,776)
<b>CHANGE IN NET ASSETS</b>	\$	<b>3,145,062</b>

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

CLACKAMAS COUNTY, OREGON  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

	Business Type Activities - Enterprise Funds					Governmental Activities
	Clackamas County Service District No. 1	Tri-City Service District	Housing Authority of Clackamas County	Non-Major Enterprise Funds	Totals	Internal Service Funds
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 37,755,437	\$ -	\$ 1,769,739	\$ 1,378,483	\$ 40,902,659	\$ 15,811,560
Cash with fiscal agent	9,829,259	-	-	-	9,829,259	-
Investments	11,599,178	-	3,790,046	-	15,389,224	-
Accounts receivable, net	5,752,317	724,406	201,521	11,344	6,689,588	286,814
Grants receivable	-	-	-	-	-	1,903
Taxes receivable	-	1,280	-	-	1,280	-
Assessments receivable	59,207	11,115,756	-	104,888	165,353	-
Due from other funds	-	-	-	-	11,115,756	382,075
Assets held for sale	-	-	928,392	-	928,392	-
Other assets	154,337	14,252	108,890	200,189	477,668	144,370
<b>Total current assets</b>	<b>64,149,734</b>	<b>11,855,694</b>	<b>6,797,588</b>	<b>1,694,402</b>	<b>84,497,418</b>	<b>16,636,722</b>
<b>Restricted current assets:</b>						
Cash and cash equivalents	-	55,144	915,001	-	970,145	-
Investments	-	-	3,859,790	-	3,859,790	-
<b>Total restricted current assets</b>	<b>-</b>	<b>55,144</b>	<b>4,774,791</b>	<b>-</b>	<b>4,830,835</b>	<b>-</b>
<b>Total current assets</b>	<b>64,149,734</b>	<b>11,910,838</b>	<b>11,572,379</b>	<b>1,694,402</b>	<b>89,328,253</b>	<b>16,636,722</b>
<b>Noncurrent assets:</b>						
Connection charges receivable	35,209	-	-	-	35,209	-
Assessments receivable	758,415	-	-	-	758,415	-
Contracts receivable	91,921	-	-	-	91,921	-
<b>Capital assets:</b>						
Capital assets not being depreciated	19,742,356	3,766,165	3,943,492	7,025,000	34,477,013	63,886
Depreciable capital assets, net of depreciation	203,079,857	40,400,487	13,162,934	1,474,008	258,056,286	8,396,554
Intangible assets, net of amortization	320,419	87,591	-	-	408,010	291,859
Unamortized bond issuance costs	1,264,093	-	194,380	19,275	1,477,748	-
<b>Total noncurrent assets</b>	<b>225,291,270</b>	<b>44,254,243</b>	<b>17,240,806</b>	<b>8,518,283</b>	<b>295,263,602</b>	<b>9,752,297</b>
<b>TOTAL ASSETS</b>	<b>\$ 289,441,004</b>	<b>\$ 56,147,081</b>	<b>\$ 28,813,085</b>	<b>\$ 10,209,685</b>	<b>\$ 384,611,856</b>	<b>\$ 23,389,019</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts and claims payable	3,987,064	797,279	511,076	102,502	5,397,923	6,032,653
Accrued payroll	493,017	-	-	-	493,017	944,995
Due to other funds	11,388,312	-	-	91,499	11,449,811	35,049
Compensated absences	-	-	53,733	-	53,733	655,595
Deposits	-	-	115,451	-	115,451	-
Accrued interest payable	755,537	-	-	67,900	823,437	-
Deferred revenue	57,600	-	43,619	-	101,219	-
Other	-	-	896,152	3,135	899,287	-
Current portion of long-term debt:						
Bonds payable	3,395,000	-	325,000	275,000	3,995,000	-
Contracts, notes and loans payable	166,992	51,500	34,778	-	253,270	-
<b>Total current liabilities</b>	<b>20,293,722</b>	<b>818,779</b>	<b>1,669,811</b>	<b>540,036</b>	<b>23,292,348</b>	<b>7,689,292</b>
<b>Noncurrent liabilities:</b>						
Compensated absences	-	-	181,199	-	181,199	89,484
Deferred revenue:						
Bonds payable	462,400	-	-	-	462,400	-
Contracts, notes and loans payable	107,127,480	-	7,527,354	4,354,198	119,009,032	-
Other postemployment benefits	5,427,277	205,405	486,857	-	7,129,539	-
Interfund loan payable	-	-	209,946	-	209,946	1,391,349
	-	-	857,319	-	857,319	-
<b>Total noncurrent liabilities</b>	<b>114,017,137</b>	<b>205,405</b>	<b>9,352,675</b>	<b>4,354,198</b>	<b>127,929,415</b>	<b>1,480,833</b>
<b>TOTAL LIABILITIES</b>	<b>134,280,859</b>	<b>1,024,184</b>	<b>11,022,486</b>	<b>4,894,234</b>	<b>151,221,763</b>	<b>9,150,125</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	138,813,906	43,684,351	7,705,118	3,969,810	194,372,885	9,752,297
Restricted for debt service	8,043,721	55,144	4,051,500	-	12,150,365	-
Unrestricted	8,302,818	11,083,402	6,034,981	1,445,641	26,866,842	7,486,597
<b>TOTAL NET ASSETS</b>	<b>\$ 155,160,445</b>	<b>\$ 55,122,897</b>	<b>\$ 17,791,699</b>	<b>\$ 5,315,451</b>	<b>\$ 233,390,092</b>	<b>\$ 14,238,894</b>

(This page left blank intentionally)

**CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Business Type Activities - Enterprise Funds					Governmental Activities
	Clackamas County Service District No. 1	Tri-City Service District	Housing Authority of Clackamas County	Non-Major Enterprise Funds	Totals	Internal Service Funds
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 22,188,327	\$ 4,363,043	\$ 3,851,284	\$ 4,584,074	\$ 34,886,728	\$ 32,927,682
Intergovernmental revenue	-	4,877,818	15,037,159	-	19,914,875	1,472,141
Other	868,823	(421,824)	382,786	19,360	849,145	1,542,739
<b>TOTAL OPERATING REVENUE</b>	<b>23,057,150</b>	<b>8,718,035</b>	<b>19,271,229</b>	<b>4,603,434</b>	<b>55,649,868</b>	<b>35,942,842</b>
<b>OPERATING EXPENSES:</b>						
Claims	-	-	-	-	-	7,841,829
Labor and fringe benefits	7,240,023	2,056,000	-	82,078	9,378,101	15,326,023
Utilities	855,589	554,558	593,105	1,526,229	3,801,459	-
Supplies	406,502	590,176	-	2,778	999,456	13,561,851
Professional services	2,108,217	402,151	-	38,860	2,547,268	-
Other operating expenses	2,681,726	1,099,507	3,070,079	2,027,028	8,878,340	-
Administrative expenses	-	-	3,499,259	221,267	3,720,526	-
Housing assistance	-	-	10,795,159	-	10,795,159	-
Depreciation and amortization	5,784,798	2,226,580	1,651,785	135,056	9,798,219	1,506,492
<b>TOTAL OPERATING EXPENSES</b>	<b>16,086,637</b>	<b>8,929,010</b>	<b>16,600,387</b>	<b>4,093,294</b>	<b>49,718,826</b>	<b>38,236,195</b>
<b>OPERATING INCOME (LOSS)</b>	<b>3,970,313</b>	<b>1,788,025</b>	<b>(338,158)</b>	<b>510,160</b>	<b>5,931,340</b>	<b>(2,293,353)</b>
<b>NONOPERATING INCOME (EXPENSE):</b>						
Interest income	360,776	58,316	87,303	5,484	509,879	59,165
Interest expense	(272,185)	(11,847)	(526,441)	(206,449)	(1,016,922)	-
Loss on disposal of capital assets	(194,380)	(19,154)	(620,621)	-	(833,355)	-
Phase 1 capacity management expense	(4,000,000)	-	-	-	(4,000,000)	-
Other	(23,247)	-	-	-	(23,247)	-
<b>TOTAL NONOPERATING INCOME (EXPENSE)</b>	<b>(4,129,036)</b>	<b>26,315</b>	<b>(1,059,959)</b>	<b>(200,965)</b>	<b>(5,303,645)</b>	<b>59,165</b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>(158,723)</b>	<b>1,815,340</b>	<b>(1,398,117)</b>	<b>309,195</b>	<b>567,695</b>	<b>(2,234,188)</b>
Contributions	5,036,465	257,365	732,582	-	6,026,412	-
Transfers in	-	-	-	-	-	1,919,372
Transfers out	-	-	-	-	-	(388,960)
<b>CHANGE IN NET ASSETS</b>	<b>4,877,742</b>	<b>2,072,705</b>	<b>(665,535)</b>	<b>309,195</b>	<b>6,594,107</b>	<b>(703,776)</b>
<b>NET ASSETS, JUNE 30, 2010</b>	<b>150,262,403</b>	<b>53,080,192</b>	<b>18,457,134</b>	<b>5,006,236</b>	<b>226,795,885</b>	<b>14,942,670</b>
<b>NET ASSETS, JUNE 30, 2011</b>	<b>155,160,145</b>	<b>55,122,897</b>	<b>17,791,599</b>	<b>5,315,451</b>	<b>233,390,092</b>	<b>14,238,894</b>

The notes to the basic financial statements are an integral part of this statement.  
21

**CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Business Type Activities - Enterprise Funds					Governmental Activities
	Clackamas County Service District No. 1	Tri-City Service District	Housing Authority of Clackamas County	Non-Major Enterprise Funds	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received for services	\$ -	\$ -	\$ 15,623,550	\$ 2,597,245	\$ 2,597,245	\$ 35,075,328
Cash received from grants	-	-	-	-	-	1,446,448
Cash received from customers	17,654,374	9,035,608	(3,849,963)	2,003,300	32,543,355	-
Cash paid for claims and legal fees	(6,182,597)	(1,897,688)	(5,035,355)	(3,967,182)	(16,784,122)	(7,207,969)
Cash paid to suppliers for goods and services	(6,632,981)	(2,852,963)	(10,795,159)	(391,814)	(11,672,555)	(13,561,851)
Cash paid to related entities for services	-	-	(2,358,303)	-	(2,358,303)	(14,934,133)
Cash paid to employees for services	858,253	(421,824)	382,786	19,472	839,687	-
Other operating revenue	-	-	-	-	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,497,049</b>	<b>4,352,890</b>	<b>1,663,512</b>	<b>258,241</b>	<b>9,781,695</b>	<b>618,783</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Principal paid on bonds, contracts and loans payable	(3,070,000)	(44,692)	(569,121)	(204,136)	(3,907,949)	-
Interest received on assessments and contracts	(14,629)	-	-	-	(14,629)	-
Interest paid on bonds, contracts and loans payable	203,356	(12,736)	(516,589)	(209,320)	(535,269)	-
Assessment and contract principal collected	3,160,783	-	-	-	3,160,783	-
Bonds issued	24,061,042	-	-	-	24,061,042	-
Bonds issuance costs	(399,266)	-	-	-	(399,266)	-
Proceeds from loans	5,340,147	-	-	-	5,340,147	-
Collection of connection charges, grants, and property taxes	19,000	250,682	-	-	269,682	-
Loan receivable	(652,779)	-	-	-	(652,779)	-
Capital contributed	4,636,052	-	732,582	-	5,370,634	-
Acquisition of capital assets	(29,481,733)	(4,775,748)	(853,630)	-	(35,111,311)	(2,034,110)
Proceeds from sale of capital assets	-	-	259,702	-	259,702	-
Payments on notes payable	(179,537)	-	-	-	(179,537)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>3,623,416</b>	<b>(4,582,494)</b>	<b>(967,258)</b>	<b>(147,345)</b>	<b>(2,499,780)</b>	<b>(2,032,110)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers from (to) other funds	(4,352,522)	(11,115,795)	-	-	(15,468,278)	1,530,412
Dispatchable power agreement	578,060	-	-	-	578,060	-
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES</b>	<b>(3,774,522)</b>	<b>(11,115,795)</b>	<b>-</b>	<b>-</b>	<b>(14,890,278)</b>	<b>1,530,412</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest received on investments	723,808	56,048	87,303	5,525	872,682	59,165
Proceeds from the sale of investment securities	7,022,900	-	989,207	-	8,012,207	-
Purchases of investments	(13,025,220)	-	(896,038)	-	(13,924,258)	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(5,278,492)</b>	<b>56,048</b>	<b>179,172</b>	<b>5,525</b>	<b>(5,038,749)</b>	<b>59,165</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,033,549)</b>	<b>(11,270,311)</b>	<b>875,428</b>	<b>(206,990)</b>	<b>(12,647,122)</b>	<b>376,260</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2010</b>	<b>48,618,244</b>	<b>11,334,456</b>	<b>1,809,212</b>	<b>1,588,173</b>	<b>63,350,084</b>	<b>19,435,200</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2011</b>	<b>46,584,695</b>	<b>55,144</b>	<b>2,684,640</b>	<b>1,378,483</b>	<b>50,702,962</b>	<b>15,811,660</b>
<b>RECONCILIATION TO THE STATEMENT OF NET ASSETS</b>						
Current assets:						
Cash and cash equivalents	37,755,437	-	1,758,739	1,378,483	40,902,659	15,811,660
Restricted assets:						
Cash and cash equivalents	8,829,258	55,144	915,901	-	9,800,303	-
	<b>46,584,695</b>	<b>55,144</b>	<b>2,684,640</b>	<b>1,378,483</b>	<b>50,702,962</b>	<b>15,811,660</b>

The notes to the basic financial statements are an integral part of this statement.  
22

**CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF CASH FLOWS (Continued)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Business Type Activities - Enterprise Funds				Governmental Activities	
	Clackamas County Service District No. 1	Tri-City Service District	Housing Authority of Clackamas County	Non-Major Enterprise Funds	Totals	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 3,070,312	\$ 1,789,025	\$ (336,158)	\$ 510,160	\$ 5,031,339	\$ (2,293,353)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	5,784,798	2,226,580	1,851,765	135,056	9,798,219	1,506,492
Principal payments forgiven on deferred loans	-	-	(11,162)	-	(11,162)	-
Changes in assets and liabilities:						
Accounts and other receivables	(1,720,694)	(104,194)	584,401	13,583	(1,227,104)	(162,116)
Due from other funds	-	-	-	-	-	1,446,197
Other assets	24,427	(1,258)	8,528	(199,519)	(167,829)	(358)
Accounts and claims payable	(1,606,304)	452,740	(365,410)	(24,554)	(1,543,528)	434,763
Accrued payroll	53,510	-	-	-	53,510	169,680
Other current liabilities	(8,800)	-	110,587	-	101,787	343,853
Deposits	-	-	(11,348)	-	(11,348)	-
Compensated absences	-	-	14,182	-	14,182	77,824
Due to other funds	-	-	-	(176,486)	(176,486)	(703,769)
Deferred revenue	(3,000,000)	-	20,106	-	(2,979,894)	-
Total adjustments	(473,263)	2,573,868	2,001,670	(251,919)	3,850,356	3,112,146
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 3,497,049</b>	<b>\$ 4,362,893</b>	<b>\$ 1,663,512</b>	<b>\$ 258,241</b>	<b>\$ 9,781,695</b>	<b>\$ 816,793</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Contributions of capital from governments, developers, and customers	\$ 398,413	\$ -	\$ -	\$ -	\$ -	\$ -
Capital asset acquisitions financed with loan	\$ -	\$ -	\$ 192,638	\$ -	\$ -	\$ -
Principal payments forgiven on loans	\$ -	\$ -	\$ 11,162	\$ -	\$ -	\$ -

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

(This page left blank intentionally)

CLACKAMAS COUNTY, OREGON  
 FIDUCIARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2011

	Pension Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and investments	\$ 1,812,057	\$ 7,222,828
Property taxes receivable	-	27,924,487
Total assets	<u>1,812,057</u>	<u>35,147,315</u>
<b>LIABILITIES</b>		
Accounts payable	5,287	-
Amounts held in trust	-	35,147,315
Total liabilities	<u>5,287</u>	<u>35,147,315</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 1,806,770</u>	<u>\$ -</u>

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

CLACKAMAS COUNTY, OREGON  
 PENSION TRUST FUND  
 STATEMENT OF CHANGES IN PLAN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Pension Trust Fund
<b>ADDITIONS:</b>	
Contributions	\$ 888,698
Miscellaneous income	7,790
<b>TOTAL ADDITIONS</b>	<u>896,488</u>
<b>DEDUCTIONS:</b>	
Benefit payments and withdrawals	<u>466,015</u>
<b>CHANGE IN NET ASSETS</b>	<u>430,473</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - June 30, 2010</b>	<u>1,376,297</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - June 30, 2011</b>	<u>\$ 1,806,770</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, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Clackamas County, Oregon ("the County") was established in 1843. A Board of County Commissioners ("BCC") consisting of five members governs the County under provisions of ORS 203.230.

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") Statement No. 14, the basic financial statements include its blended component units, Clackamas County Development Agency, Clackamas County Enhanced Law Enforcement District, North Clackamas Parks and Recreation District, Clackamas County Service District No.1, Clackamas County Service District No. 5, Tri-City Service District, Surface Water Management Agency of Clackamas County, Housing Authority of Clackamas County, Oregon, Estacada Area County Service District for Library Services, Clackamas County Extension and 4-H Service District, and Library District of Clackamas County - as part of the County. 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.

**NOTES TO BASIC FINANCIAL STATEMENTS**

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.

**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, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

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

**Reporting Entity (Continued)**

**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 low-cost housing to individuals meeting criteria established by the U.S. Department of Housing and Urban Development ("HUD"). HUD subsidizes operations of HACC.

**Estacada Area County Service District for Library Services**

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

**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.

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

**Reporting Entity (Continued)**

**Workforce Investment Council of Clackamas County, Inc.**

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

**Related Organization**

**Hospital Facilities Authority of Clackamas County**

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

**Basis of Presentation**

**Government-wide Financial Statements**

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

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

CLACKAMAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2011

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

**Basis of Presentation (Continued)**

**Government-wide Financial Statements (Continued)**

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

**Fund Financial Statements**

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

The County reports the following major 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.
- Community Health Fund - This fund accounts for the activities of the County which administers programs to meet the health needs of the community, including matters of mental health services, teen pregnancy, drug and alcohol abuse, prenatal care, and aging and low-income Medicaid patients. Federal and State grants and subsidies fund the bulk of these programs with County General Fund contributions as well as fees for services making up the balance.
- Clackamas Mental Health Organization Fund - This fund accounts for revenues and expenditures related to the contract the County Community Health Division has with the Oregon Department of Human Services, Addictions and Mental Health Division to provide services as a Mental Health Organization ("MHO"). The MHO manages mental health benefits for Oregon health Plan enrollees in a five county service region (Clackamas, Gilliam, Hood River, Sherman, and Wasco Counties).
- Sheriff Operations Fund - This fund accounts for the Sheriff's Department patrol, investigation, jail operation, and civil processing services in both incorporated and unincorporated areas of the County.
- DTD Capital Projects Fund - This fund accounts for all project related capital outlay within the Department of Transportation and Development, excluding projects which are funded by component units. Projects are predominantly infrastructure in nature and include road network upgrades and capacity improvements.

CLACKAMAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2011

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

**Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

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 area of Clackamas County, Oregon.
- 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.
- Housing Authority of Clackamas County - This fund 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.
- Capital Project Funds - These funds account for revenue derived primarily from intergovernmental resources and transfers from other funds designated for the construction of specific projects.

Proprietary:

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

Fiduciary:

- Pension Trust Fund - This fund accounts for the accumulation of resources to be used for payments of postemployment benefits. This is not a legal trust arrangement holding resources solely for other postemployment benefits, and the resources within it are not eligible to be treated as other postemployment benefit plan net assets.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

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

**Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

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

**Measurement Focus and Basis of Accounting**

The government-wide financial statements, including the discretely presented component unit, WICCO, and the proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements are reported on the accrual basis of accounting but do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County receives value without giving equal value in exchange, include grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Accrued interest and note and contract receivables are recognized as earned. Revenue from grants, entitlements, and donations 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 assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes, 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.

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

**Measurement Focus and Basis of Accounting (Continued)**

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

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

**Use of Estimates**

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

**Cash and Investments**

The cash balances of substantially all funds and 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 stated at cost, which approximates fair value and its share value. The individual funds' and component units' portion of the pool's fair value are presented as "Cash and Investments" or "Book Overdraft" in the basic financial statements. Earnings on pooled funds are paid or credited to each fund and component unit monthly based on the average daily balance of each participating fund or component unit.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

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

**Cash and Investments (Continued)**

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

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

**Receivables**

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

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

**Capital Assets**

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 furniture and equipment, real property acquisitions, improvements, and infrastructure are recorded as capital outlay. Donated assets are recorded at their fair market value at the date of donation. Maintenance and repairs of a routine nature are charged to expenses/expenditures as incurred and are not capitalized. Interest incurred during construction is not capitalized.

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

**Capital Assets (Continued)**

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

Vehicles of the County are estimated to have a salvage value of 10% of the assets' original cost.

WICCO capitalizes property and equipment at historical cost with a cost of \$500 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.

**Land Held for Resale**

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

**Accounts and Claims Payable**

Certain departments estimate payables based on expected claims to be paid using historical claims data.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

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

**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.

**Compensated Absences (Continued)**

Payments of compensated absences are made by funds incurring salary costs. A portion of the balance of compensated absences, generally utilized within one year, is reported in the Statement of Net Assets as current. The remaining balance is classified as long-term.

**Long-term Debt**

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

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

**Pension Plan**

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

**Other Post-Employment Benefits ("OPEB") Obligations**

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

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

**Self-Insurance**

The County is exposed to various risks of loss up to various policy deductible amounts related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. 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.

**Self-Insurance (Continued)**

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

**Fund Balance**

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

Governmental funds report assets in excess of liabilities 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 inventory balances or interfund loans/receivables.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

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

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 an order, ordinance or resolution 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* 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.

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.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

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

When both restricted and unrestricted fund balance is available for use, the purpose for which that is restricted, it is the County's policy to use 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, 2011 were as follows:

	General Fund	Community Health Fund	Clackamas Mental Health Organization Fund	Sheriff Operations Fund	DTD Capital Projects Fund	Non-major Funds	Total
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Interfund loan receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,278	\$ 252,278
Land held for resale	-	-	-	-	2,660,000	7,987,137	10,647,137
Prepaid	-	-	78,256	-	-	840	79,096
<b>Restricted for:</b>							
Culture, education and recreation	-	-	-	-	-	3,210,579	3,210,579
Debt service	-	-	-	-	-	32,999,312	32,999,312
Economic development	-	-	-	-	-	870,117	870,117
General government	157,978	-	-	-	-	-	157,978
Health and human services	-	9,355,195	7,561,986	-	-	1,725,109	18,642,290
Public protection	-	-	-	-	-	5,391,316	5,391,316
Public ways and facilities	-	-	-	-	142,412	40,772,538	40,914,950
<b>Committed to:</b>							
Public protection	-	-	-	2,697,222	-	1,492,646	4,189,868
<b>Assigned to:</b>							
Culture, education and recreation	-	-	-	-	-	5,714,512	5,714,512
Debt service	-	-	-	-	-	393,801	393,801
Economic development	-	-	-	-	-	1,255,094	1,255,094
General government	-	-	-	-	-	1,885,646	1,885,646
Health and human services	-	3,916,459	563,756	-	-	1,616,574	6,096,789
Public protection	-	-	-	-	-	1,188,255	1,188,255
Public ways and facilities	-	-	-	-	-	10,411,084	10,411,084
<b>Unassigned:</b>							
	23,206,107	-	-	-	-	(1,316,252)	21,889,855
<b>Total fund balances</b>	<b>\$ 23,364,085</b>	<b>\$ 13,271,654</b>	<b>\$ 8,203,998</b>	<b>\$ 2,697,222</b>	<b>\$ 2,802,412</b>	<b>\$ 115,850,586</b>	<b>\$ 166,189,957</b>

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

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

**Budgetary Information**

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

**Excess of Expenditures over Appropriations**

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

	<u>Amount</u>
General Fund	
County Counsel	\$ 77,565
Veteran Services	297
Community Health Fund	
Transfers out	182,722
Sheriff's Fund	
Transfers out	83,543
Community Development Fund	
Personal services	14,691
Family Court Service Fund	
Materials and services	5,029
Code Enforcement and Sustainability Fund	
Capital outlay	38,499
District Attorney Fund	
Capital outlay	1,344
Tourism Development Council Fund	
Personal services	3,632
North Clackamas Revitalization Area Fund	
Materials and services	98,532
Risk Management Claims Fund	
Materials and services	298,077
Facilities Management Fund	
Capital outlay	46,557
Electronic Services Fund	
Personal services	46,296
Central Dispatch Fund	
Materials and services	18,365
Technology Services Fund	
Personal services	136,704

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

**Deficit Fund Balances/Net Assets**

The following fund had a deficit fund balance at year-end:

Special Revenue Funds	<u>Amount</u>
Joint Transportation System Development Charge Fund	\$1,316,252

**3. CASH AND INVESTMENTS**

Cash and investments are comprised of the following:

Deposits with financial institutions:	
Demand deposits	\$ 17,400,889
Money Market	81,053,545
Certificates of Deposit	9,790,000
Deposits with fiscal agent	-
Investments with fiscal agent	1,994,200
Investments	176,054,109
	<u>\$ 286,292,743</u>

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

Cash and Investments - governmental activities	\$ 207,305,882
Cash and Investments - business-type activities	69,951,976
Statement of Fiduciary Net Assets	9,034,885
	<u>\$ 286,292,743</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, 2011, and for the year then ended, the County was in compliance with the aforementioned State of Oregon statutes.

Cash for WICCO at June 30, 2011 consisted of demand deposits with financial institutions in the amount of \$7,452, which were covered by federal depository insurance.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**3. CASH AND INVESTMENTS (Continued)**

**Deposits**

At year end, the carrying amount of the County's deposits with financial institutions was \$108,244,434 and the bank balance was \$113,354,057. Of these deposits, \$4,090,000 is covered by federal depository insurance. As required by Oregon Revised Statutes, 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.

**Investments**

Investments at June 30, 2011 are comprised of the following:

U.S. Government Agency obligations, effective yield 0.50% to 3.75%	\$ 80,678,921
State of Oregon Local Government Investment Pool	<u>97,066,991</u>
	<u>\$ 177,745,912</u>

**Interest Rate Risk**

As of June 30, 2011, 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.

<u>Investment Type</u>	<u>Market Value</u>	<u>Modified Duration</u>
US Agencies, coupon	\$ 68,891,078	1.547
Other Agencies	4,988,300	.290
US Treasury, discount	3,952,240	2.120
Local Government Investment Pool	97,066,991	0.000
Certificates of Deposit	<u>9,790,000</u>	1.311
Total fair value	\$ 184,886,609	
Portfolio modified duration		1.475

**3. CASH AND INVESTMENTS (Continued)**

**Credit Risk**

Oregon Revised Statutes limit the types of investments that the County may have. The County is in compliance with these statutes at June 30, 2011. The County is also in compliance with its investment policy which requires the County to limit exposure to credit risk, concentrating its investments in the safest types of securities, diversifying the investment portfolio so that potential losses on individual securities will be minimized, actively monitoring the investment portfolio holdings for ratings changes, changing economic or market conditions, and pre-qualifying the financial institutions with which the County will do business.

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

The State of Oregon Local Government Investment Pool is unrated. Approximately \$68.5 million of 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, 2011, all of the County deposits are insured or collateralized 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, 2011, all of the County deposits are insured or collateralized and therefore, are not subject to custodial credit risk.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**3. CASH AND INVESTMENTS (Continued)**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Clackamas County Investment Policy, which limits the amount invested in any one issuer, as a percentage of total investments, is 50% for U.S. Agency securities and 25% for certificates of deposit. On June 30, 2011, 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%.

**5. LAND HELD FOR RESALE**

Land held for resale activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
<b>Governmental activities:</b>				
Clackamas Town Center	\$ 6,209,824	\$ -	\$ (1,704,487)	\$ 4,505,337
Clackamas Industrial Area	6,161,024	-	(2,713,218)	3,447,806
DTD Capital Projects	263,097	3,033,853	(636,950)	2,660,000
Tax Title Lane	40,000	33,335	(39,341)	33,994
	<u>\$ 12,673,945</u>	<u>\$ 3,067,188</u>	<u>\$ (5,093,996)</u>	<u>\$ 10,647,137</u>
<b>Business-type activities:</b>				
Housing Authority	\$ -	\$ 928,392	\$ -	\$ 928,392

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance June 30, 2010	Increases	Decreases	Transfers	Balance June 30, 2011
<b>Governmental activities:</b>					
Capital assets not being depreciated and amortized:					
Land and improvements	\$ 5,163,795	\$ 3,347,602	\$ (106,467)	\$ 431,393	\$ 55,312,323
Land - rights of way	328,054,217	3,235,823	(4,592,494)	(431,393)	326,266,153
Construction in progress	65,561,685	30,496,995	(351,149)	(860,714)	94,846,817
Total capital assets not being depreciated and amortized	445,255,697	37,080,420	(5,050,110)	(860,714)	476,425,293
Capital assets being depreciated and amortized:					
Intangibles	49,602	308,975	-	-	728,577
Buildings and improvements	1,195,285	1,707,957	-	222,895	13,883,717
Equipment	29,745,297	2,271,043	(10,074)	22,867	32,029,133
Vehicles	33,834,084	1,209,500	(104,955)	-	33,996,629
Infrastructure	375,214,417	809,376	-	64,952	376,635,745
Total capital assets being depreciated and amortized	621,133,265	6,306,851	(105,729)	860,714	627,273,801
Less accumulated depreciation and amortization for:					
Intangibles	(25,276)	(10,344)	-	-	(18,620)
Buildings and improvements	(415,471,976)	(7,706,169)	-	-	(49,253,345)
Equipment	(20,58,597)	(2,062,631)	9,067	-	(22,212,161)
Vehicles	(23,932,283)	(2,509,335)	102,748	-	(25,415,870)
Infrastructure	(1,163,723)	(5,148,868)	-	-	(16,779,591)
Total accumulated depreciation and amortization	(257,294,055)	(27,540,347)	103,815	-	(283,799,587)
Total capital assets being depreciated and amortized, net	363,869,210	(21,233,496)	(22,214)	860,714	343,474,214
Total capital assets, net	\$ 809,124,907	\$ 15,846,924	\$ (5,072,324)	\$ -	\$ 819,899,507
<b>Business-type activities:</b>					
Capital assets not being depreciated and amortized:					
Land and easements	\$ 17,007,324	\$ -	\$ (408,560)	\$ 68,758	\$ 16,667,522
Construction in progress	88,979,749	34,257,481	(103,860)	(104,418,800)	17,811,490
Total capital assets not being depreciated and amortized	105,987,073	34,257,481	(142,420)	(104,343,122)	34,479,012
Capital assets being depreciated and amortized:					
Intangibles	184,380	-	-	-	184,380
Buildings and improvements	46,675,211	935,419	(1686,434)	382,219	46,306,415
Equipment and vehicles	10,903,889	110,449	(69,692)	363,053	11,306,299
Street lighting poles	2,164,983	-	-	-	2,164,983
Plants and line system	249,303,022	398,413	-	103,597,850	353,299,285
Total capital assets being depreciated and amortized	310,889,485	1,444,881	(1,756,126)	104,343,122	414,921,362
Less accumulated depreciation and amortization for:					
Intangibles	(123,920)	(220,449)	-	-	(145,469)
Buildings and improvements	(318,370,206)	(157,965)	105,409	-	(32,307,762)
Equipment and vehicles	(8,850,499)	(346,457)	51,685	-	(9,145,271)
Street lighting poles	(888,316)	(97,275)	-	-	(985,591)
Plants and line system	(105,038,544)	(7,545,530)	-	-	(112,584,074)
Total accumulated depreciation and amortization	(147,848,485)	(9,785,676)	157,094	-	(156,477,067)
Total capital assets being depreciated and amortized, net	163,041,000	(8,340,795)	(599,032)	104,343,122	258,444,295
Total capital assets, net	\$ 269,028,073	\$ 25,916,686	\$ (2,021,452)	\$ -	\$ 292,923,307

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**5. CAPITAL ASSETS (Continued)**

Depreciation expense was charged as follows:

<b>Governmental Activities:</b>	
General Government	\$ 1,892,806
Public Protection	389,070
Public Ways and Facilities	18,549,188
Health and Sanitation	598,254
Culture and Recreation	1,732,829
Economic Development	4,364,405
Education	13,795
	<u>\$ 27,540,347</u>
<b>Business-type Activities:</b>	
Sanitary Sewer and Surface Water	\$ 8,013,646
Housing Assistance	1,651,785
Golf	35,513
Street Lighting	97,275
	<u>\$ 9,798,219</u>

At June 30, 2011, WICCO had property and equipment with a net value of \$8,284. Depreciation expense for the year ended June 30, 2011 was \$4,931.

**6. SELF-INSURANCE CLAIMS PAYABLE**

The claims liability of \$4,243,541 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 exceeded the maximum amount of self insurance per claimant once 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 2009, 2010 and 2011 are as follows:

Year Ended June 30,	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2009	\$ 3,781,198	\$ 3,846,935	\$ 3,129,907	\$ 4,498,226
2010	4,498,226	3,143,795	3,543,254	4,098,767
2011	4,098,767	5,698,020	5,553,246	4,243,541

This June 30, 2011 balance is included in the Statement of Net Assets in accounts and claims payable.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**7. 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, 2011 was as follows:

	Governmental Activities	Business-type Activities
Balance July 1, 2010	\$ 9,687,713	\$ 200,750
Additions	11,674,076	156,606
Payments	(11,559,243)	(142,424)
Balance June 30, 2011	<u>\$ 9,802,546</u>	<u>\$ 214,932</u>
Reported on Statement of Net Assets as follows:		
Current portion	<u>\$ 8,625,261</u>	<u>\$ 53,733</u>
Long-term portion	<u>\$ 1,177,285</u>	<u>\$ 161,199</u>

**8. LONG-TERM DEBT**

**Bonds Payable**

The County and its component units have issued refunding bonds, to refund previously issued bonds with a higher interest rate and Full Faith and Credit Obligations and Bancroft Improvement Bonds to construct certain infrastructure improvements. The refunding bonds and full faith and credit obligations will be paid from general property tax revenues and the Bancroft Improvement Bonds from assessments paid by the affected property owners. Should the property owners be unable to pay their assessments to retire the bonds the County and its component units may levy general property taxes to provide for the repayment. Full faith and credit obligations were issued in 2007 to construct the Development Services Building and the obligation will be paid from general property tax revenues. In 2007, the Clackamas County Development Agency issued urban renewal bonds to fund the County's share of construction costs for the I-205 Light Rail line and the obligation will be paid from tax increment revenues. In 2008, the North Clackamas Park and Recreation District ("NCPRD") issued full faith and credit bonds to finance the construction of Rock Creek Park and the obligation will be paid from general NCPRD property tax revenues.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**8. LONG-TERM DEBT (Continued)**

**Bonds Payable (Continued)**

Bonds payable transactions for the year are as follows:

	Original Amount	Outstanding June 30, 2010	Increases	Decreases	Outstanding June 30, 2011	Principal Due Within One Year
<b>Governmental activities:</b>						
Full Faith and Credit Obligation Series 2003; interest 3.5%-4.25%	\$ 17,820,000	\$ 6,930,000	\$ -	\$ 230,000	\$ 6,700,000	\$ 260,000
Full Faith and Credit Obligation Bancroft Limited Tax Assessment Bonds 2000 Issue; interest 5.10%-6.5%	5,143,000	1,400,000	-	-	1,400,000	-
Full Faith and Credit Obligation Bonds 2004 Issue; interest 4.1%-4.75%	5,040,000	3,930,000	-	205,000	3,725,000	215,000
Full Faith and Credit Obligation Bonds 2007 Issue; interest 4.0%-5.0%	49,990,000	45,210,000	-	1,890,000	43,320,000	1,960,000
Clackamas County Development Agency Urban Renewal Bonds 2007 Issue; interest 4.55%	35,333,000	18,830,197	-	5,999,610	12,830,587	6,272,592
North Clackamas Parks and Recreation District Full Faith and Credit Obligation Bonds 2008 Issue; interest 3.0%-4.0%	8,000,000	7,490,000	-	305,000	7,185,000	310,000
Full Faith and Credit Obligations Series 2009; interest 2.0%-4.0%	34,795,000	34,160,000	-	1,285,000	32,875,000	1,325,000
North Clackamas Parks and Recreation District Full Faith and Credit Refunding Series 2010; interest 2.0%-4.0%	5,660,000	5,660,000	-	295,000	5,365,000	320,000
Clackamas County Development Agency Urban Renewal Bonds 2011 Issue; interest 4.4%	6,000,000	-	6,000,000	-	6,000,000	290,000
		63,610,197	6,000,000	10,209,610	59,400,587	\$ 10,952,592
Premiums		154,773	-	85,791	1428,982	
Deferred refunding		(10,465)	10,465	-	-	
		\$ 135,014,505	\$ 6,110,465	\$ 10,295,401	100,829,569	
Current portion					10,952,592	
Long-term portion					\$ 19,876,977	

**8. LONG-TERM DEBT (Continued)**

**Bonds Payable (Continued)**

	Original Amount	Outstanding June 30, 2010	Increases	Decreases	Outstanding June 30, 2011	Principal Due Within One Year
<b>Business-type activities:</b>						
Clackamas County Service District No.1 Revenue Bonds 2002 Issue; interest 2.0% - 4.875% Less deferred amount on refunding	\$11,013,000	\$ 6,770,000	\$ -	\$ 1,065,000	\$ 5,705,000	\$ 1,095,000
		(262,146)	-	(74,674)	(187,472)	
		6,507,854	-	990,326	5,517,528	
Clackamas County Service District No.1 Revenue Obligations 2009A Issue; interest 2.0% - 4.625% Premium	38,460,000	38,050,000	-	910,000	37,140,000	935,000
		86,431	-	3,652	82,779	
		38,136,431	-	913,652	37,227,779	
Clackamas County Service District No.1 Revenue Obligations 2009B Issue; interest 2.0% - 5.00% Premium	44,365,000	44,365,000	-	1,095,000	43,270,000	1,130,000
		477,558	-	19,426	458,132	
		44,842,558	-	1,114,426	43,728,132	
Stone Creek Golf Course Full Faith and Credit Obligation Bonds 2003 Issue; interest 2.0% - 4.75% Less unamortized discount	6,355,000	4,895,000	-	265,000	4,630,000	275,000
		(864)	-	(62)	(802)	
		4,894,136	-	264,938	4,629,198	
Housing Authority of Clackamas County General Obligation Bonds; interest 3.75% - 5.90% Less unamortized discount	11,400,000	8,610,000	-	505,000	8,105,000	325,000
		(162,497)	-	(9,850)	(172,347)	
		8,447,503	-	514,850	7,932,653	
Clackamas County Service District No. 1 Revenue Obligations 2010 Issue; interest 2.0% - 4.625% Premium	23,710,000	-	23,710,000	-	23,710,000	235,000
		-	351,042	7,021	344,021	
		-	24,061,042	7,021	24,054,021	
		\$ 102,828,482	\$ 24,061,042	\$ 3,805,213	\$ 123,084,311	\$ 3,995,000

Current and future maturities at June 30, 2011 for the business-type activities are summarized as follows:

Current maturities - face value	\$ 3,995,000
Premium	37,120
Less deferred amount in refunding and discount	(84,586)
	<u>\$ 3,947,534</u>
Future Maturities - face value	118,565,000
Premium	847,812
Less deferred amount in refunding and discount	(276,035)
	<u>\$ 119,136,777</u>

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**8. LONG-TERM DEBT (Continued)**

**Bonds Payable (Continued)**

Future maturities of bond principal and interest at June 30, 2011, are as follows:

**Governmental activities:**

Fiscal Year	North Clackamas Parks and Recreation District Limited Tax Revenue Refunding Bonds Series 2010		Full Faith and Credit Obligation Bancroft Limited Tax Assessment Bonds 2000 Issue		Full Faith and Credit Obligations Series 2003	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 320,000	\$ 174,400	\$ -	\$ 91,000	\$ 260,000	\$ 678,890
2013	325,000	160,000	-	91,000	290,000	669,790
2014	335,000	161,500	-	91,000	325,000	659,640
2015	340,000	154,800	-	91,000	355,000	649,240
2016	350,000	146,300	-	364,000	395,000	637,525
2017-2021	1,905,000	567,050	1,400,000	-	2,585,000	2,943,430
2022-2026	1,790,000	182,600	-	-	3,915,000	2,330,900
2027-2031	-	-	-	-	5,685,000	1,371,843
2032-2036	-	-	-	-	2,890,000	186,363
	<b>\$ 5,365,000</b>	<b>\$ 1,554,650</b>	<b>\$ 1,400,000</b>	<b>\$ 728,000</b>	<b>\$ 16,700,000</b>	<b>\$ 10,127,621</b>

Fiscal Year	Full Faith and Credit Obligation Series 2004		Full Faith and Credit Obligation Series 2009		Clackamas County Development Agency Urban Renewal Bonds Series 2007	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 215,000	\$ 102,360	\$ 1,325,000	\$ 13,15,000	\$ 6,272,592	\$ 583,792
2013	225,000	148,298	1,365,000	1,262,000	6,557,995	298,389
2014	235,000	145,298	1,405,000	1,207,400	-	-
2015	245,000	135,898	1,445,000	1,151,200	-	-
2016	255,000	125,853	1,490,000	1,093,400	-	-
2017-2021	1,480,000	455,598	8,320,000	4,528,800	-	-
2022-2026	1,070,000	102,448	10,215,000	2,723,400	-	-
2027-2031	-	-	7,310,000	593,800	-	-
	<b>\$ 3,725,000</b>	<b>\$ 1,275,753</b>	<b>\$ 32,875,000</b>	<b>\$ 13,875,000</b>	<b>\$ 12,830,587</b>	<b>\$ 882,181</b>

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**8. LONG-TERM DEBT (Continued)**

**Bonds Payable (Continued)**

Fiscal Year	Full Faith and Credit Obligation Series 2007		North Clackamas Parks and Recreation District Full Faith and Credit Obligation Series 2008		Clackamas County Development Agency Urban Renewal Bonds Series 2007		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,860,000	\$ 1,805,481	\$ 310,000	\$ 251,338	\$ 290,000	\$ 267,667	\$ 10,852,592	\$ 5,329,928
2013	2,040,000	1,727,081	320,000	241,888	305,000	251,240	11,427,995	4,857,686
2014	2,125,000	1,645,481	330,000	232,138	315,000	237,820	5,070,000	4,380,277
2015	2,205,000	1,560,481	345,000	221,581	330,000	223,960	5,265,000	4,188,160
2016	2,300,000	1,472,281	355,000	210,206	345,000	209,440	5,490,000	4,259,005
2017-2021	13,015,000	5,728,555	1,980,000	862,076	1,970,000	805,540	32,655,000	15,890,950
2022-2026	16,045,000	2,592,663	2,425,000	463,275	2,445,000	331,760	37,905,000	8,727,046
2027-2031	3,630,000	149,738	1,120,000	45,063	-	-	17,745,000	2,160,444
2032-2036	-	-	-	-	-	-	2,690,000	186,363
	<b>\$ 43,320,000</b>	<b>\$ 16,681,562</b>	<b>\$ 7,185,000</b>	<b>\$ 2,627,565</b>	<b>\$ 6,000,000</b>	<b>\$ 2,327,527</b>	<b>129,400,567</b>	<b>\$ 49,979,859</b>
Premiums								1,428,982
Deferred refunding								-
								<b>\$ 130,829,569</b>

**Business-type activities:**

Fiscal Year	Clackamas County Service District No. 1 Revenue Bonds - 2002		Clackamas County Service District No. 1 Revenue Bonds - 2004A		Clackamas County Service District No. 1 Revenue Bonds - 2005B		Clackamas County Service District No. 1 Revenue Bonds - 2010	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,095,000	\$ 188,366	\$ 935,000	\$ 1,477,793	\$ 130,000	\$ 175,180	\$ 235,000	\$ 1327,326
2013	1,130,000	199,605	965,000	1,453,968	1,160,000	1,77,450	650,000	911,919
2014	1,165,000	18,506	995,000	1,429,543	1,200,000	1,670,050	665,000	897,969
2015	1,200,000	74,983	1,030,000	1,404,143	1,235,000	1,609,175	680,000	884,519
2016	135,000	49,589	1,070,000	1,372,643	1,270,000	1,564,015	765,000	870,069
2017-2021	700,000	15,178	6,680,000	6,330,613	7,090,000	7,061,225	4,025,000	3,978,694
2022-2026	280,000	1,650	7,815,000	5,050,119	8,685,000	5,491,725	4,855,000	3,122,194
2027-2031	-	-	10,370,000	3,079,580	10,830,000	3,538,598	5,460,000	2,052,850
2032-2036	-	-	7,880,000	561,244	10,670,000	985,775	6,375,000	785,384
	<b>\$ 5,705,000</b>	<b>\$ 766,477</b>	<b>\$ 37,140,000</b>	<b>\$ 22,159,646</b>	<b>\$ 43,270,000</b>	<b>\$ 25,389,801</b>	<b>\$ 23,710,000</b>	<b>\$ 14,830,324</b>

Fiscal Year	Stone Creek Golf Course Fund Full Faith and Credit Obligation Series 2003		The Housing Authority of Clackamas County General Obligation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 275,000	\$ 89,898	\$ 325,000	\$ 489,239	\$ 3,995,000	\$ 5,442,412
2013	285,000	88,731	340,000	466,550	4,530,000	4,897,423
2014	295,000	73,488	365,000	443,448	4,685,000	4,733,004
2015	310,000	65,388	385,000	418,844	4,840,000	4,557,052
2016	320,000	51,988	405,000	392,839	3,965,000	4,401,111
2017-2021	1,840,000	534,363	2,435,000	1,533,930	22,170,000	16,580,603
2022-2026	1,305,000	94,406	3,270,000	668,710	26,210,000	14,440,804
2027-2031	-	-	580,000	14,398	27,240,000	8,685,416
2032-2036	-	-	-	-	24,925,000	2,332,403
	<b>\$ 4,630,000</b>	<b>\$ 1,497,252</b>	<b>\$ 8,105,000</b>	<b>\$ 4,426,958</b>	<b>122,560,000</b>	<b>\$ 69,070,258</b>

Premium	884,932
Less deferred amount on refunding	(87,472)
Less unamortized discount	(73,149)
	<b>\$ 123,084,311</b>

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**8. LONG-TERM DEBT (Continued)**

**Bonds Payable (Continued)**

The Housing Authority of Clackamas County general obligation bonds are subject to certain debt covenants, relating to net revenues subject to statutory limitations and debt service reserves. The most restrictive of these covenants requires that the Authority establish and collect rents sufficient to produce a ratio of Adjusted Net Operating Income, as defined, to maximum annual debt service on the Series A bonds of at least 1.45 to 1 and a ratio of Adjusted Net Operating Income to maximum annual debt service on the Series A bonds and any additional bonds of 1.1 to 1. The Series A coverage ratio for fiscal year 2011 is 1.60. A failure to maintain the above ratios however, does not constitute a default.

Under the revenue bonds 2002A and 2002B agreements Clackamas County Service District No. 1 has agreed to covenants that it will charge user rates and fees in connection with the operation of the sewer system which are adequate to cover annual debt service as required by the bond agreements. The District was in compliance with these covenants during the year ended June 30, 2011.

In prior years, Clackamas County Service District No. 1 defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and the liabilities for the defeased bonds are not included in the basic financial statements. At June 30, 2011, \$4,015,000 of bonds outstanding are considered defeased.

In fiscal years ended June 30, 2009, 2010, and 2011, the Clackamas County Service District No. 1 issued revenue obligation bonds totaling \$38,460,000 (2009A series), \$44,365,000 (2009B series), and \$23,710,000 (2010 series), respectively. Each issuance was used to finance capital improvements. Revenue obligations are payable from monthly sewer fees collected from customers connected to and benefited by the system.

In fiscal year ended June 30, 2010, the North Clackamas Parks and Recreation District issued \$5,660,000 of Full Faith and Credit Refunding Bonds Series 2010 to provide resources to purchase U.S. Treasury Securities that were placed in an irrevocable trust for the purpose of refunding all future debt service payments of \$5,570,000 of the Limited Tax Revenue Refunding Bonds Series 2000. As a result, these refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The refunding was undertaken to reduce total future debt service payments.

In fiscal year ended June 30, 2010, the Estacada Area County Service District for Library Services transferred \$1,893,188 to an escrow agent to provide resources to fully redeem principal and interest of its General Obligation Bond Series 2005 when due, which resulted in a loss on early retirement of debt of \$200,784. The escrow agent purchased US Treasury securities with the transfer from the District. As a result, these bonds are deemed fully defeased and the debt is not reflected on the financial statements.

In fiscal year ended June 30, 2010, the County issued full faith and credit obligations series 2009 bonds of \$34,795,000. The obligations are being used to finance the costs of the County's facilities, including improvements for the sheriff's headquarters and the County jail, a new evidence facility, and costs of completing the County's development services building.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**8. LONG-TERM DEBT (Continued)**

**Loans and Contracts Payable**

Loans and contracts payable transactions for the year ended June 30, 2011 are as follows:

<b>Governmental activities:</b>	Outstanding June 30, 2010	Increase	Decreases	Outstanding June 30, 2011
ODOT Loan payable; interest 3.75%	\$ 9,367,805	\$ -	\$ 789,343	\$ 8,578,462
ODOT Loan Payable; interest 3.65%	9,569,911	-	445,931	9,123,980
Contracts payable; interest 4.3% - 5.6%	1,855,000	-	75,000	1,780,000
City of Oregon City, Oregon SDC financing agreement; interest 4%	551,245	-	363,846	187,399
	<u>\$ 21,343,961</u>	<u>\$ -</u>	<u>\$ 1,674,120</u>	<u>19,669,841</u>
Current portion				<u>1,548,699</u>
Long-term portion				<u>\$ 18,121,142</u>
<b>Business-type activities:</b>	Outstanding June 30, 2010	Increases	Decreases	Outstanding June 30, 2011
Clackamas County Service District No. 1:				
Loan payable to the Oregon Department of Environmental Quality for construction of sewerage facilities; interest at 4.11% plus administrative fees	\$ 975,393	\$ -	\$ 179,537	\$ 795,856
Loan payable to Department of Environmental Quality for the construction of collection sewerers; interest at 0% as loan will be forgiven upon completion of the project	578,266	1,421,734	-	2,000,000
Loan payable to the Oregon Department of Environmental Quality for construction of collection sewerers; interest at 2.77% plus administrative fees	-	3,818,413	-	3,818,413
Tri-City Service District:				
Loan payable to the Oregon Department of Environmental Quality for construction of sewerage facilities; interest at 3.98% plus administrative fees	296,584	-	44,692	251,892
Housing Authority of Clackamas County:				
Mortgage notes payable; collateralized by properties and paid from rental income; interest 5.0% to 11.0%	420,976	-	78,487	342,489
Loan payable to the Farmers Home Administration and the State of Oregon interest 0% to 11.0%	205,942	-	16,796	189,146
	<u>\$ 2,477,161</u>	<u>\$ 5,240,147</u>	<u>\$ 319,512</u>	<u>7,397,796</u>
Current portion				<u>268,257</u>
Long-term portion				<u>\$ 7,129,539</u>

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**8. LONG-TERM DEBT (Continued)**

**Loans and Contracts Payable (Continued)**

Future maturities for loans and contracts payable are as follows:

**Governmental activities:**

Fiscal Year	ODOT Loan Payable 3.75%		ODOT Loan Payable 3.65%		Contracts Payable 4.3% - 5.6%	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 818,944	\$ 321,692	\$ 462,356	\$ 328,844	\$ 80,000	\$ 102,805
2013	849,654	290,982	479,386	311,814	85,000	98,245
2014	881,516	259,120	497,043	294,157	85,000	93,400
2015	914,572	226,063	515,350	275,850	90,000	88,555
2016	948,870	191,766	530,475	260,725	-	-
2017-2021	4,164,906	397,645	2,345,381	819,419	545,000	357,765
2022-2026	-	-	3,445,969	510,031	725,000	180,090
2027-2031	-	-	848,020	39,492	170,000	9,860
	<b>\$ 8,578,462</b>	<b>\$ 1,687,268</b>	<b>\$ 9,123,980</b>	<b>\$ 2,840,332</b>	<b>\$ 1,780,000</b>	<b>\$ 930,720</b>

	City of Oregon City SDC Financing Agreement 4.00%		Total	
	Principal	Interest	Principal	Interest
2012	\$ 187,399	\$ 3,748	\$ 1,548,699	\$ 757,089
2013	-	-	1,414,040	701,041
2014	-	-	1,463,559	646,677
2015	-	-	1,519,922	590,468
2016	-	-	1,479,345	452,491
2017-2021	-	-	7,055,287	1,574,829
2022-2026	-	-	4,170,969	690,121
2027-2031	-	-	1,018,020	49,352
	<b>\$ 187,399</b>	<b>\$ 3,748</b>	<b>\$ 19,669,841</b>	<b>\$ 5,462,068</b>

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**8. LONG-TERM DEBT (Continued)**

**Loans and Contracts Payable (Continued)**

**Business-type activities:**

Fiscal Year	Clackamas County Service District No. 1 Loans Payable		Tri-City Service District Loan Payable		Housing Authority of Clackamas County Mortgage Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 186,992	\$ 30,808	\$ 46,487	\$ 9,567	\$ 29,080	\$ 22,556
2013	194,756	23,044	48,357	7,699	31,355	20,281
2014	202,843	14,956	50,300	5,755	33,832	17,803
2015	211,265	6,534	52,322	3,733	36,531	15,104
2016	-	-	54,426	1,630	39,472	12,164
2017-2021	-	-	-	-	111,688	25,247
2022-2026	-	-	-	-	56,524	8,427
2027-2031	-	-	-	-	4,007	140
Undetermined	5,818,413	-	-	-	-	-
	<b>\$ 6,614,269</b>	<b>\$ 75,342</b>	<b>\$ 251,892</b>	<b>\$ 28,384</b>	<b>\$ 342,489</b>	<b>\$ 121,722</b>

Fiscal Year	Housing Authority of Clackamas County Loans Payable		Total	
	Principal	Interest	Principal	Interest
2012	\$ 5,698	\$ 847	\$ 268,257	\$ 63,778
2013	5,755	791	280,223	51,815
2014	5,813	734	292,788	39,248
2015	5,871	677	305,989	26,048
2016	5,930	619	99,828	14,413
2017-2021	30,556	2,208	142,244	27,455
2022-2026	16,775	677	73,299	9,104
2027-2031	-	-	4,007	140
Undetermined	112,748	-	5,931,161	-
	<b>\$ 189,146</b>	<b>\$ 6,553</b>	<b>\$ 7,397,796</b>	<b>\$ 232,001</b>

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

**Conduit Debt**

The County has issued conduit debt for the Hospital Facility Authority of Clackamas County. The aggregate outstanding amount is \$276,960,000 at June 30, 2011. The County has no obligation for repayment of this debt.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**9. OPERATING LEASES**

The County leases buildings and office equipment under non-cancelable operating leases. Rent expense amounted to approximately \$838,000 for the year ended June 30, 2011. Future payments are due as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 623,655
2013	153,183
	<u>\$ 776,838</u>

During the year, WICCO had a lease for office space. Rental expense for the year ended June 30, 2011 totaled \$47,183.

At June 30, 2011, the future minimum lease payments under this lease are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 44,579
2013	45,719
2014	6,792
	<u>\$ 97,090</u>

**10. DUE TO/FROM OTHER FUNDS AND INTERFUND LOANS**

Interfund due to/from balances at June 30, 2011 are comprised of the following:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	\$ 2,057,869	\$ 272,432
Community Health	345,286	291,737
Mental Health Organization	-	345,269
Sheriff Operations	640,640	164,334
DTD Capital Projects	2,032,397	25,187
Non-Major Governmental	11,718,557	15,950,317
Internal Service	382,075	36,049
Clackamas County Service District No. 1	-	11,358,312
Tri-City Service District	11,170,900	-
Non-Major Enterprise	187,412	91,499
	<u>\$ 28,535,136</u>	<u>\$ 28,535,136</u>

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

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

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

Interfund loan balances at June 30, 2011 are comprised of the following:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
Non-Major Governmental	\$ 1,109,356	\$ 252,037
Housing Authority of Clackamas County	-	857,319
	<u>\$ 1,109,356</u>	<u>\$ 1,109,356</u>

Future maturities of interfund loans are as follows:

<u>Fiscal Year</u>	<u>Non-Major Funds</u>		<u>Housing Authority of Clackamas County</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 252,037	\$ 12,816	\$ -	\$ -
Undetermined	-	-	857,319	-
	<u>\$ 252,037</u>	<u>\$ 12,816</u>	<u>\$ 857,319</u>	<u>\$ -</u>
<u>Fiscal Year</u>	<u>Total</u>			
	<u>Principal</u>	<u>Interest</u>		
2012	\$ 252,037	\$ 12,816		
Undetermined	857,319	-		
	<u>\$ 1,109,356</u>	<u>\$ 12,816</u>		

**11. TRANSFERS TO/FROM OTHER FUNDS**

Transfers to/from other funds consisted of the following:

<u>Amount</u>	<u>Description</u>
\$ 41,780,202	From the General Fund to the County Sheriff Operations Fund for general operations.
2,899,261	From the General Fund to Community Health Fund for general operations.
43,207,701	From the General Fund to other governmental funds for general operations.
871,373	From the General Fund to internal service funds for general operations.
4,801,681	From the General Fund to other governmental funds for capital asset improvements.
374,740	From the Sheriff's Fund to other governmental funds for debt service.
879,039	From the Sheriff's Fund to the internal service funds for general operations.
345,222	From the Community Health Fund to other governmental funds for general operations.
2,654,639	From other governmental funds to the general fund for general operations
100,000	From other governmental funds to internal service funds for general operations
2,736,782	From other governmental funds to DTD Capital Projects Fund for capital asset improvements.
5,439,641	Within other governmental funds for general operations.
10,974,852	Within other governmental funds for capital asset improvements.
320,000	From internal service funds to capital projects funds for capital asset improvements.
68,960	Within internal service funds to internal service funds for general operations
<u>\$ 117,454,093</u>	

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**11. TRANSFERS TO/FROM OTHER FUNDS (Continued)**

Interfund transfers are shown as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	\$ 115,534,721	\$ 117,065,133
Schedule of Revenues, Expenditures and Changes in Fund Balance - Internal Service Funds	<u>1,919,372</u>	<u>388,960</u>
	<u>\$ 117,454,093</u>	<u>\$ 117,454,093</u>

**12. PENSION PLAN**

**Plan Description**

The County contributes to the Oregon Public Employees Retirement System ("PERS") and to the Oregon Public Service Retirement Plan ("OPSRP"). PERS is an agent multi-employer defined benefit public employee retirement system. OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). A defined benefit plan is benefit-based and uses predictable criteria such as a pension determined by salary multiplied by length of service multiplied by a factor. A defined contribution plan has no guarantee. OPSRP is administered by PERS. PERS acts as a common investment and administrative agent for political subdivisions in the State of Oregon. PERS is administered under Oregon Revised Statute (ORS) Chapter 238 and Internal Revenue Service 401(a) by the Public Employees Retirement Board (PERB). The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature.

The 2003 Oregon Legislature passed PERS reform legislation and essentially created a new retirement plan for employees hired on or after August 29, 2003. These employees become members of OPSRP.

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

PERS retirement benefits are based on final average salary and length of service. These retirement benefits are calculated using three methods: Full Formula, Formula Plus Annuity, and Money Match. PERS will use the method that produces the highest benefit amount. OPSRP pension benefits are calculated at 2.5 percent of final average salary multiplied by the number of years of retirement credit attributable to service. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by State statutes.

**12. PENSION PLAN (Continued)**

**Plan Description (Continued)**

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

**Funding Policy**

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

The County's annual required contribution rate net of retiree healthcare rate for fiscal 2011 for Tier 1/Tier 2 employees was 18.17% of covered employees' salaries, for OPSRP General Service employees 14.49% of covered employees' salaries and for OPSRP Police and Fire employees 17.23% of covered employees' salaries. The employee contribution rate is 6.00%.

**Annual Pension Cost**

For fiscal 2011, 2010 and 2009 the County's actual annual pension cost was approximately \$21,130,000, \$20,006,000, and \$24,386,000, respectively, and was equal to the annual required contributions. The required contribution was determined as part of the actuarial valuation at December 31, 2010 using the projected unit credit method. The fair market value method is used to determine the actuarial value of the plan's assets. Significant actuarial assumptions used in the valuation included: (a) rate of return on the future investment earnings of the assets of the System are assumed to accrue at an annual rate of 8.00% compounded annually; (b) a rate of return on the future investment earnings of the variable accounts are assumed to accrue at an annual rate of 8.25%, compounded annually; (c) projected annual rate of wage inflation of 3.75%, compounded annually, excluding merit or longevity increases; (d) healthcare cost inflation assumed at 7.00% in 2011, then declining to 4.50% in 2029; (e) consumer price inflation of 2.75% per year; (f) projected unit credit actuarial cost method is used with a twenty year closed amortization of the unfunded actuarial liability as a level percentage of combined valuation payroll; and (g) contribution rates for a rate pool are confined to a collar based on the prior Tier 1/Tier 2 pension contribution rate and the new contribution rate will not increase or decrease from the prior contribution rate by more than the greater of 3 percentage points or 20% of the current rate.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**12. PENSION PLAN (Continued)**

**Annual Pension Cost (Continued)**

County PERS Funding Progress						
Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded		Covered Payroll	UAAL as a Percentage of Covered Payroll
			Actuarial Accrued Liability (UAAL) (Asset)	Percent Funded		
2010	\$ 548,930,000	\$ 669,986,000	\$ 121,056,000	82%	\$ 119,256,000	102%
2009	513,840,000	635,969,000	122,129,000	81%	113,374,000	108%
2008	452,197,000	606,618,000	154,421,000	75%	109,890,000	141%

PERS assumes the obligation for benefits from the individual entity, as a whole, when benefits become payable.

The Housing Authority of Clackamas County reports PERS pension information in separately issued component unit financial statements. The plan description, funding policy, and the annual pension cost actuarial assumptions are the same as reported above for the County except that Authority's annual required contribution rate net of retiree healthcare rate for fiscal 2011 was 11.39% for Tier 1/Tier 2 employees and 11.74% for OPSRP employees. For the years ended June 30, 2011, 2010 and 2009, the annual pension cost for the Authority was approximately \$256,000, \$241,000, and \$276,000, respectively, and was equal to the required and actual contributions.

Housing Authority PERS Funding Progress						
Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded		Covered Payroll	UAAL as a Percentage of Covered Payroll
			Actuarial Accrued Liability (UAAL) (Asset)	Percent Funded		
2010	\$ 10,113,000	\$ 12,051,000	\$ 1,939,000	84%	\$ 2,099,623	92%
2009	9,659,000	11,444,000	1,785,000	84%	2,069,000	86%
2008	8,613,000	11,233,000	2,620,000	77%	1,760,000	149%

WICCO makes employer-matching contributions, as permitted by section 403(b) of the Internal Revenue Code, up to 8 percent of the employee's salary. Pension contribution expense totaled approximately \$21,859 for the year ended June 30, 2011.

**13. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

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

**13. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Funding Policy (Continued)**

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, 2010, 333 Tier 1/Tier 2 and OPSRP General Service retirees that were receiving the post-employment healthcare benefit.

The County also provides post-employment healthcare benefits to retiring Peace Officer Association ("POA") and Command Officers ("CO"), who retire with a minimum of ten years of service with the County. The County contributes 100% of the monthly medical premium, which is paid as incurred. Retirees are responsible for the payment of annual deductibles, which vary according to the plan selected. The County funds premium costs by contributing 3.25% for all Sheriff's office covered employees, whether they are union or non-union. During fiscal 2011, benefit payments of \$466,015 were made to participants. At year-end, net assets available for future premium costs in the Pension Trust Fund amounted to \$1,806,770. The Pension Trust Fund is not a legal trust arrangement holding resources solely for other postemployment benefits, and the resources within it are not eligible to be treated as other postemployment benefit plan net assets. At June 30, 2011, there were 127 POA and CO retirees that were receiving the post-employment healthcare benefit.

The County's annual OPEB cost is calculated based on the annual required contribution ("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.

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

Annual required contribution	\$ 6,269,778
Interest on net OPEB obligation	534,713
Adjustment to annual required contribution	<u>(773,062)</u>
Annual OPEB cost	6,031,429
Contributions made	<u>2,070,713</u>
Increase in net OPEB obligation	3,960,716
Net OPEB obligation - beginning this year	<u>13,367,818</u>
Net OPEB obligations - end of year	<u>\$ 17,328,534</u>

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Funding Policy (Continued)**

The following table shows the County's annual OPEB cost for the fiscal year ended June 30, 2011.

<u>Required Contribution</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
General County Only	\$ 2,812,691	33%
Sheriff's Dept. Only	<u>3,457,087</u>	33%
All County Total	<u>\$ 6,269,778</u>	33%

As of the most recent actuarial report, July 1, 2010, the actuarial accrued liability of benefits was \$50,075,769, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$50,075,069. The covered payroll (annual payroll of active employees covered by the plan) was \$112,936,313 for fiscal year 2011 and the ratio of the UAAL to the covered payroll was 44%.

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, 2010), the projected unit credit actuarial cost method was used. This method attempts to track the actual economic pattern of benefit accrual over an employee's working lifetime. The discount rate is selected based on historical and expected returns on the County's short-term investment portfolio. A discount rate of 4.0% was used in the most recent actuarial valuation for the 30 year open period. The actuarial valuation assumes that healthcare costs are trending down from 7.8% in 2010 to 4.5% in 2027 for the major medical component, which is representative for the overall plan. The County's UAAL is being amortized using the level-dollar method with a closed group rolling 30 year amortization methodology.

**13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Retirement Health Insurance Account**

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

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.29% of annual covered OPERF payroll and 0.19% of OPSRP payroll. The OPERS Board of Trustees sets the employer contribution rate based on the ARC of the employers, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2009, 2010, and 2011 were \$214,000, \$213,000 and \$214,500, respectively, which equaled the required contributions each year.

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**CLACKAMAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2011**

**14. COMMITMENTS AND CONTINGENCIES**

The County has commitments under contractual agreements for various construction contracts amounting to approximately \$21,127,483.

The Clackamas County Development Agency has commitments under various construction contracts for approximately \$3,311,668.

Tri-City Service District is committed under contractual agreements for various construction contracts totaling approximately \$6,621,000. As of June 30, 2011, approximately \$804,000 of these contracts remain outstanding.

The Tri-City Service District entered into an agreement with the State of Oregon Department of Environmental Quality on June 2, 2000, which requires the District to perform certain, specific pollution remediation measures on property owned by the District adjacent to the Tri-City Water Pollution Control Plant ("TCWPCP") which has been used for municipal refuse. The agreement does not have a specific date by which these remediation efforts must be completed. Rather, these measures are to be taken at the time in the future when the District finds itself needing to expend the TCWPCP into that property to provide additional treatment capacity.

Clackamas County Service District No. 1 has commitments under contractual agreements for various multi-year construction contracts amounting to approximately \$17,957,000. The largest of these commitments is to finish the Phase 1 Capacity Expansion project. In fiscal year 2011-12 this will entail some finish work on the Membrane Bioreactor (MBR) waste treatment facility, and the completion of the Intertie 2 pipeline project.

Housing Authority of Clackamas County has construction commitments under various contracts totaling approximately \$105,000.

North Clackamas Parks and Recreation District has commitments under various contracts amounting for approximately \$43,000.

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

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

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

**15. RELATED PARTY TRANSACTIONS**

WICCO has entered into grant agreements with organizations whose management includes members of the WICCO Board of Directors. Payables to these organizations totaled \$714,061 at June 30, 2011 and expenses of \$3,812,747 were incurred under grant agreements with these organizations during the year then ended.

**16. MEASURES 37 AND 49**

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

**17. SUBSEQUENT EVENTS**

On August 4, 2011, Clackamas County Service District No. 1 entered into an Intergovernmental Agreement with the City of Portland to share in the cost of construction of a sanitary sewer line in the North Clackamas Revitalization Area. The City of Portland's share of construction costs paid by Clackamas County Service District No. 1 is approximately \$227,000. Clackamas County Service District No. 1's share of construction costs incurred by the City of Portland has not been finalized, but is anticipated to be approximately \$250,000.

On September 8, 2011, the Board of County Commissioners resolved that the levy for the Clackamas Town Center Urban Renewal District will terminate by June 30, 2013.

On September 29, 2011, Clackamas County Service District No. 1 amended its April 12, 2010 Clean Water Revolving Fund Loan Agreement with the Oregon Department of Environmental Quality and increased the loan amount to \$8,800,100.

On November 30, 2011, Standard and Poor's Rating Services downgraded the rating of Assured Guaranty from AA+ level to AA-. North Clackamas Parks and Recreation District's two outstanding bond issues are insured by Assured Guaranty Municipal Corp.

**CLACKAMAS COUNTY, OREGON**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes:				
Current	\$ 88,495,000	\$ 88,495,000	\$ 88,501,808	\$ 6,608
Delinquent	2,850,000	2,850,000	3,549,124	699,124
Total property taxes	91,345,000	91,345,000	92,050,732	705,732
Intergovernmental:				
Federal	4,187,623	4,187,623	4,245,344	57,721
State	5,265,154	5,265,154	5,161,070	(104,084)
Local	25,000	25,000	29,240	4,240
Total intergovernmental	9,477,777	9,477,777	9,435,654	(42,123)
Charges for services				
Charges to other County funds	11,682,177	11,682,177	11,327,223	(354,954)
Charges to others	2,915,248	2,915,248	2,917,138	1,888
Total charges for services	14,597,425	14,597,425	14,244,369	(353,066)
Licenses and permits				
Licenses and permits	1,480,000	1,480,000	1,613,601	133,601
Total licenses and permits	1,480,000	1,480,000	1,613,601	133,601
Fines, forfeitures, and penalties			378,379	378,379
Miscellaneous:				
Miscellaneous	-	-	109,584	109,584
Reimbursements	15,842,403	15,842,403	14,205,108	(1,637,295)
Interest	325,000	325,000	165,548	(159,452)
Contributions	25,861	25,861	22,389	(3,472)
Loan repayments	106,200	106,200	-	(106,200)
Other	593,500	593,500	553,843	(39,657)
Total miscellaneous	16,892,964	16,892,964	15,056,472	(1,836,492)
<b>TOTAL REVENUES</b>	<b>133,793,166</b>	<b>133,793,166</b>	<b>132,779,197</b>	<b>(1,013,969)</b>
<b>EXPENDITURES:</b>				
General government:				
County Administration	1,499,054	1,499,054	1,356,219	142,835
County Assessor	6,487,078	6,487,078	6,076,702	410,376
Board of County Commissioners	1,311,152	1,311,152	1,245,314	65,838
County Clerk	2,766,169	2,766,169	2,391,111	375,058
County Counsel	1,859,050	1,859,050	1,836,615	(22,435)
County Courier	103,971	103,971	92,426	11,545
Development Agency payroll	853,772	853,772	523,365	330,407
Department of Employee Services	2,663,978	2,663,978	2,425,040	238,938
Department of Finance	3,529,044	3,529,044	3,312,502	216,542

Continued

**REQUIRED SUPPLEMENTARY INFORMATION**

**CLACKAMAS COUNTY, OREGON  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES (continued):</b>				
General government (continued):				
Mail Operations	676,625	676,625	482,717	193,908
Non-departmental	19,841,074	18,233,625	5,575,894	12,657,731
Parks District Payroll	3,609,912	3,609,912	3,343,154	266,758
Public and government affairs	1,780,265	1,780,265	1,763,854	16,411
Veteran Services	-	-	297	(297)
Purchasing	768,843	768,643	729,189	39,654
Risk/benefits Administration	1,902,690	1,902,690	1,869,341	33,349
Water Environmental Services Payroll	10,409,745	10,409,745	9,933,396	476,349
County Surveyor	945,582	945,582	916,417	29,165
County Treasurer	608,576	608,576	590,525	18,051
Total general government	61,616,580	60,009,131	44,564,078	15,445,053
Culture, education and recreation: Arts & Cultural Affairs	303,146	303,146	299,310	3,836
<b>TOTAL EXPENDITURES</b>	<b>61,919,726</b>	<b>60,312,277</b>	<b>44,863,388</b>	<b>15,448,889</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>71,873,440</b>	<b>73,480,889</b>	<b>87,915,809</b>	<b>14,434,920</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	885,285	1,065,997	245,285	(820,712)
Transfers out	(91,772,057)	(93,560,218)	(93,560,218)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(90,886,772)</b>	<b>(92,494,221)</b>	<b>(93,314,933)</b>	<b>(820,712)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(19,013,332)</b>	<b>(19,013,332)</b>	<b>(5,399,124)</b>	<b>13,614,208</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>19,258,617</b>	<b>19,258,617</b>	<b>20,150,650</b>	<b>892,033</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ 245,285</b>	<b>\$ 245,285</b>	<b>\$ 14,751,526</b>	<b>\$ 14,506,241</b>
<b>ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			1,038,725	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<b>\$ 15,790,251</b>	

**CLACKAMAS COUNTY, OREGON  
COMMUNITY HEALTH FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 4,110,467	\$ 4,539,274	\$ 4,178,608	\$ (360,666)
State	23,780,684	37,307,320	24,278,469	(13,028,851)
Local	2,074,423	3,727,176	2,693,176	(1,034,000)
Total intergovernmental	29,965,584	45,573,770	31,150,253	(14,423,517)
Charges for services:				
Charges for services	6,609,956	10,560,136	12,287,429	1,727,293
Total charges for services	6,609,956	10,560,136	12,287,429	1,727,293
Licenses and permits:				
Licenses and permits	743,547	801,453	824,669	23,216
Total licenses and permits	743,547	801,453	824,669	23,216
Fines, forfeitures, and penalties	-	-	17,436	17,436
Miscellaneous:				
Reimbursements	110,929	151,639	148,957	(2,682)
Interest	51,000	8,836	44,669	44,669
Contributions	45,826	43,836	14,563	(29,273)
Other	-	-	38,487	38,487
Total miscellaneous	207,755	195,475	246,676	51,201
<b>TOTAL REVENUES</b>	<b>39,526,842</b>	<b>57,130,834</b>	<b>44,526,463</b>	<b>(12,604,371)</b>
<b>EXPENDITURES:</b>				
Health and human services:				
Personal services	22,425,692	21,816,909	20,969,909	847,000
Materials and services	19,008,593	26,678,503	17,687,728	9,010,775
Capital outlay	-	295,440	95,674	199,766
Contingency	1,637,574	7,219,518	-	7,219,518
Reserve for future expenditures	5,039,716	6,947,899	-	6,947,899
Total expenditures	48,111,575	62,958,269	38,733,311	24,224,958
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,584,733)</b>	<b>(5,827,435)</b>	<b>5,793,152</b>	<b>11,620,587</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	-	-	2,945	2,945
Transfers in	3,049,261	3,385,524	2,899,261	(486,263)
Transfers out	(162,500)	(162,500)	(345,222)	(182,722)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,886,761</b>	<b>3,223,024</b>	<b>2,556,984</b>	<b>(666,040)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,697,972)</b>	<b>(2,604,411)</b>	<b>8,350,136</b>	<b>10,954,547</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>5,897,972</b>	<b>2,604,411</b>	<b>4,921,518</b>	<b>2,317,106</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,271,654</b>	<b>\$ 13,271,653</b>

**CLACKAMAS COUNTY, OREGON**  
**CLACKAMAS MENTAL HEALTH ORGANIZATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ 18,237,216	\$ 24,951,080	\$ 16,346,154	\$ (8,604,926)
Total intergovernmental	18,237,216	24,951,080	16,346,154	(8,604,926)
Miscellaneous:				
Interest	-	-	52,867	52,867
Total miscellaneous	-	-	52,867	52,867
<b>TOTAL REVENUES</b>	<b>18,237,216</b>	<b>24,951,080</b>	<b>16,399,021</b>	<b>(8,552,059)</b>
<b>EXPENDITURES:</b>				
Health and human services:				
Materials and services	15,610,158	21,033,341	17,059,272	3,974,069
Contingency	1,077,029	2,077,029	-	2,077,029
Reserve for future expenditures	1,733,379	1,733,379	-	1,733,379
<b>TOTAL EXPENDITURES</b>	<b>18,420,566</b>	<b>24,843,749</b>	<b>17,059,272</b>	<b>7,784,477</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(183,350)</b>	<b>107,331</b>	<b>(660,251)</b>	<b>(767,582)</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(150,000)	(486,263)	-	486,263
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>(150,000)</b>	<b>(486,263)</b>	<b>-</b>	<b>486,263</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(333,350)</b>	<b>(378,932)</b>	<b>(660,251)</b>	<b>(281,319)</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>333,350</b>	<b>378,932</b>	<b>8,864,249</b>	<b>8,485,318</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,203,998</b>	<b>\$ 8,203,999</b>

**CLACKAMAS COUNTY, OREGON**  
**SHERIFF OPERATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 791,476	\$ 1,341,476	\$ 1,126,118	\$ (215,358)
State	726,802	826,802	344,284	(482,518)
Local	7,570,000	7,570,000	7,456,875	(113,125)
<b>Total intergovernmental</b>	<b>9,088,278</b>	<b>9,738,278</b>	<b>8,927,277</b>	<b>(811,001)</b>
Charges for services:				
Charges for services	1,952,000	2,123,600	2,211,958	88,358
<b>Total charges for services</b>	<b>1,952,000</b>	<b>2,123,600</b>	<b>2,211,958</b>	<b>88,358</b>
Licenses and permits:				
Licenses and permits	137,500	137,500	284,960	147,460
<b>Total licenses and permits</b>	<b>137,500</b>	<b>137,500</b>	<b>284,960</b>	<b>147,460</b>
Fines, forfeitures, and penalties:				
Fines, forfeitures, and penalties	45,000	45,000	76,479	31,479
Miscellaneous:				
Reimbursements	4,490,787	4,490,787	4,548,055	57,268
Interest	10,000	10,000	6,206	(3,794)
Contributions	25,500	25,500	12,659	(12,841)
Other	51,800	51,800	106,673	55,073
<b>Total miscellaneous</b>	<b>4,577,887</b>	<b>4,577,887</b>	<b>4,673,593</b>	<b>95,708</b>
<b>TOTAL REVENUES</b>	<b>15,800,665</b>	<b>16,622,265</b>	<b>16,174,269</b>	<b>(447,996)</b>
<b>EXPENDITURES:</b>				
Public Protection:				
Personal services	46,368,548	47,031,442	45,822,166	1,209,276
Materials and services	13,039,991	13,396,260	12,126,050	1,270,210
Capital outlay	140,000	567,437	86,750	480,687
<b>TOTAL EXPENDITURES</b>	<b>59,548,539</b>	<b>60,995,139</b>	<b>58,034,966</b>	<b>2,960,173</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(43,747,874)</b>	<b>(44,372,874)</b>	<b>(41,860,697)</b>	<b>2,512,177</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	16,000	16,000	34,873	18,873
Transfers in	41,780,202	41,780,202	41,780,202	-
Transfers out	(1,170,236)	(1,170,236)	(1,253,779)	(83,543)
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>40,625,966</b>	<b>40,625,966</b>	<b>40,561,296</b>	<b>(64,670)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,121,908)</b>	<b>(3,746,908)</b>	<b>(1,299,401)</b>	<b>2,447,507</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>3,121,908</b>	<b>3,746,908</b>	<b>3,996,623</b>	<b>249,714</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,697,222</b>	<b>\$ 2,697,221</b>

**CLACKAMAS COUNTY, OREGON  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2011**

**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, Road Fund, and Sheriff Operations Fund and at the principal object level for other funds - personal services, materials and services, capital outlay, debt service, transfers to other funds and operating contingency.

**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 principal object 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 five supplemental budgets during the year ended June 30, 2011. 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.

**SUPPLEMENTARY INFORMATION**

(This page left blank intentionally)

**MAJOR FUND BUDGETARY SCHEDULE**

**CLACKAMAS COUNTY, OREGON  
COMBINING BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2011**

	General Fund	Employer Contributions Reserve Fund	Dog Control Fund	Health, Housing & Human Services Fund	Library Network Fund	Planning Fund	Fleet Replacement Reserve Fund	Total General Fund
<b>ASSETS</b>								
Cash and Investments	15,549,395	2,268,953	185,629	298,027	5,127,620	292,390	180,524	\$ 23,902,538
Taxes receivable	5,443,515	-	-	-	-	-	-	5,443,515
Accounts receivable	604,529	-	2,323	-	19	36,229	-	643,100
Grants receivable	3,407	-	-	-	-	9,069	-	12,476
Due from other funds	1,805,503	-	175,928	-	-	76,437	-	2,057,869
Other assets	632	-	-	-	21,926	-	-	22,558
<b>TOTAL ASSETS</b>	<b>\$ 23,406,981</b>	<b>\$ 2,268,953</b>	<b>\$ 363,881</b>	<b>\$ 298,027</b>	<b>\$ 5,149,565</b>	<b>\$ 414,125</b>	<b>\$ 180,524</b>	<b>\$ 32,082,056</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 483,004	\$ -	\$ 18,204	\$ 12,133	\$ 267,669	\$ 61,601	\$ -	\$ 842,611
Accrued payroll	2,419,839	-	92,198	42,772	123,021	150,591	-	2,796,421
Due to other funds	43,708	-	21,704	132	7,868	199,000	-	272,432
Deposits	128,961	-	(1,301)	-	-	-	-	127,660
Deferred revenue	4,541,217	-	125,630	-	-	-	-	4,676,847
<b>TOTAL LIABILITIES</b>	<b>7,616,729</b>	<b>-</b>	<b>236,435</b>	<b>55,037</b>	<b>398,578</b>	<b>411,182</b>	<b>-</b>	<b>8,717,971</b>
<b>Fund balances (deficit):</b>								
Restricted	157,978	-	-	-	-	-	-	157,978
Unassigned	15,632,274	2,268,953	127,446	242,990	4,750,987	2,933	180,524	23,205,107
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>15,790,252</b>	<b>2,268,953</b>	<b>127,446</b>	<b>242,990</b>	<b>4,750,987</b>	<b>2,933</b>	<b>180,524</b>	<b>23,364,085</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 23,406,981</b>	<b>\$ 2,268,953</b>	<b>\$ 363,881</b>	<b>\$ 298,027</b>	<b>\$ 5,149,565</b>	<b>\$ 414,125</b>	<b>\$ 180,524</b>	<b>\$ 32,082,056</b>

71

**CLACKAMAS COUNTY, OREGON  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

	General Fund	Employer Contributions Reserve Fund	Dog Control Fund	Health, Housing & Human Services Fund	Library Network Fund	Planning Fund	Fleet Replacement Reserve Fund	Total General Fund
<b>REVENUES:</b>								
Property taxes	\$ 92,038,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,038,835
Licenses and permits	1,613,601	-	397,216	-	-	13,935	-	2,024,752
Fines, forfeitures, and penalties	378,379	-	6,355	-	-	-	-	384,734
Interest	165,548	3,953	1,050	(4,635)	10,298	-	375	176,589
Intergovernmental	9,435,654	-	-	-	60,348	169,385	-	9,665,387
Charges for services	14,244,359	-	38,170	425,598	6,980	721,129	-	15,436,236
Contributions	22,389	-	28,000	-	3,863	-	-	54,252
Miscellaneous	14,858,535	-	17,294	-	65,918	543	-	14,952,290
<b>TOTAL REVENUES</b>	<b>132,787,300</b>	<b>3,953</b>	<b>488,085</b>	<b>420,963</b>	<b>147,407</b>	<b>904,992</b>	<b>375</b>	<b>134,733,075</b>
<b>EXPENDITURES:</b>								
<b>Current:</b>								
General government	44,564,075	-	-	-	-	-	-	44,564,075
Health and human services	-	-	1,484,509	925,721	-	-	-	2,410,230
Economic development	-	-	-	-	-	3,274,546	-	3,274,546
Culture, education and recreation	299,310	-	-	-	5,454,229	-	-	5,753,539
Capital outlay	-	-	-	-	1,723,909	-	-	1,723,909
<b>TOTAL EXPENDITURES</b>	<b>44,863,388</b>	<b>-</b>	<b>1,484,509</b>	<b>925,721</b>	<b>7,178,138</b>	<b>3,274,546</b>	<b>-</b>	<b>57,726,302</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>87,903,912</b>	<b>3,953</b>	<b>(996,424)</b>	<b>(504,758)</b>	<b>(7,030,731)</b>	<b>(2,369,554)</b>	<b>375</b>	<b>77,006,773</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	245,285	2,265,000	975,718	505,857	11,567,141	2,308,514	120,000	17,985,615
Transfers out	(93,560,218)	-	-	-	-	(155,929)	-	(93,716,147)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(93,314,933)</b>	<b>2,265,000</b>	<b>975,718</b>	<b>505,857</b>	<b>11,567,141</b>	<b>2,152,585</b>	<b>120,000</b>	<b>(75,730,632)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(5,411,021)</b>	<b>2,268,953</b>	<b>(20,706)</b>	<b>1,099</b>	<b>4,536,410</b>	<b>(218,969)</b>	<b>120,375</b>	<b>1,276,141</b>
<b>FUND BALANCES, JUNE 30, 2010</b>	<b>21,201,273</b>	<b>-</b>	<b>148,152</b>	<b>241,891</b>	<b>214,577</b>	<b>221,902</b>	<b>60,149</b>	<b>22,087,944</b>
<b>FUND BALANCES, JUNE 30, 2011</b>	<b>\$ 15,790,252</b>	<b>\$ 2,268,953</b>	<b>\$ 127,446</b>	<b>\$ 242,990</b>	<b>\$ 4,750,987</b>	<b>\$ 2,933</b>	<b>\$ 180,524</b>	<b>\$ 23,364,085</b>

72

CLACKAMAS COUNTY, OREGON  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 50,505,441	\$ 43,481,531	\$ 32,921,070	\$ 126,908,042
Taxes receivable	954,026	759,713	-	1,713,739
Accounts receivable	1,550,562	-	57,231	1,607,793
Assessment receivable	1,171,795	675,000	21,117	1,867,912
Grants receivable	6,905,564	-	987,752	7,893,316
Notes and contracts receivable	8,334,375	-	128,099	8,462,474
Due from other funds	1,116,680	144,664	10,457,213	11,718,557
Land held for resale	33,994	-	7,953,143	7,987,137
Prepaid items	840	-	-	840
Other assets	504,488	-	-	504,488
Interfund loan receivable	857,078	252,278	-	1,109,356
<b>TOTAL ASSETS</b>	<b>\$ 71,934,843</b>	<b>\$ 45,313,186</b>	<b>\$ 52,525,625</b>	<b>\$ 169,773,654</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Book overdraft	\$ 918,921	\$ 25,551	\$ 2,385,874	\$ 3,330,346
Accounts payable	4,095,819	-	3,962,993	8,058,812
Accrued payroll	4,001,188	-	8,883	4,010,071
Deferred contract receivable	7,842,173	-	-	7,842,173
Due to other funds	4,194,569	10,351,061	1,405,271	15,950,901
Deposits	696,905	-	27,692	723,597
Deferred revenue	12,277,441	1,291,183	186,266	13,754,890
Other liabilities	-	-	-	-
Interfund loans payable	-	-	252,278	252,278
<b>TOTAL LIABILITIES</b>	<b>34,026,016</b>	<b>11,667,796</b>	<b>8,229,257</b>	<b>53,923,069</b>
<b>Fund balances:</b>				
Nonspendable	34,834	252,278	7,953,143	8,240,255
Restricted	23,140,265	32,999,312	28,829,394	84,968,971
Committed	1,492,646	-	-	1,492,646
Assigned	14,557,334	393,801	7,513,831	22,464,966
Unassigned	(1,316,252)	-	-	(1,316,252)
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>37,908,827</b>	<b>33,645,391</b>	<b>44,296,368</b>	<b>115,850,586</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 71,934,843</b>	<b>\$ 45,313,186</b>	<b>\$ 52,525,625</b>	<b>\$ 169,773,654</b>

NON-MAJOR GOVERNMENTAL FUNDS

**NONMAJOR SPECIAL REVENUE FUNDS**

**CLACKAMAS COUNTY, OREGON  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER  
FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>REVENUES:</b>				
Property taxes	\$ 33,923,310	\$ 13,520,464	\$ -	\$ 47,443,774
Other taxes	2,683,197	-	-	2,683,197
Licenses and permits	7,135,472	-	-	7,135,472
Fines, forfeitures, and penalties	4,183,581	-	-	4,183,581
Special assessment collections	-	129,636	3,074	132,710
Interest	342,407	298,284	253,250	893,941
Intergovernmental	69,175,718	-	3,396,953	72,572,671
Charges for services	13,767,991	2,452,658	97,163	16,317,812
Contributions	220,102	-	-	220,102
Miscellaneous	2,859,058	7,706	936,527	3,803,291
<b>TOTAL REVENUES</b>	<b>134,290,836</b>	<b>16,408,748</b>	<b>4,686,967</b>	<b>155,386,551</b>
<b>EXPENDITURES:</b>				
Current:				
General government	9,056,391	-	-	9,056,391
Public protection	47,832,302	-	-	47,832,302
Public ways and facilities	25,559,548	-	4,823,412	30,382,960
Health and human services	20,164,964	-	-	20,164,964
Economic development	17,318,144	-	-	17,318,144
Culture, education and recreation	24,637,508	-	-	24,637,508
Debt service:				
Principle	2,006,836	10,209,610	363,846	12,580,292
Interest and fiscal charges	107,080	5,499,644	35,478	5,642,202
Miscellaneous	-	30,803	-	30,803
Capital outlay	2,106,124	-	33,231,739	35,337,863
<b>TOTAL EXPENDITURES</b>	<b>148,788,897</b>	<b>15,740,057</b>	<b>38,454,475</b>	<b>202,983,429</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(14,498,061)</b>	<b>668,691</b>	<b>(33,767,508)</b>	<b>(47,596,878)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	-	6,000,000	-	6,000,000
Proceeds from sale of capital assets	102,249	-	-	102,249
Transfers in	27,769,983	6,286,445	15,976,533	50,032,961
Transfers out	(10,961,820)	(10,323,860)	(364,305)	(21,649,985)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>16,910,412</b>	<b>1,962,585</b>	<b>15,612,228</b>	<b>34,485,225</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,412,351</b>	<b>2,631,276</b>	<b>(18,155,280)</b>	<b>(13,111,653)</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>35,495,476</b>	<b>31,014,115</b>	<b>62,451,648</b>	<b>128,962,239</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ 37,908,827</b>	<b>\$ 33,645,391</b>	<b>\$ 44,296,368</b>	<b>\$ 115,850,586</b>

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:

**Road Fund** - The Road Fund accounts for revenue and expenditures related to road construction, road maintenance, engineering, and bridge maintenance.

**OFC Children and 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.

**Clackamas 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 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 throughout Clackamas 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.

**Employer Contribution 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.

**Dog Control Fund** - The Dog Control 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 of services, and adoption of dogs from the shelter.

#### NONMAJOR SPECIAL REVENUE FUNDS (Continued)

**Community Solutions Fund** - Community Solutions is the Division that provides a range of training services to persons wishing to re-enter 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.

**Family Court Service 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.

**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.

**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 and transferred to the Law Library Network Fund. Proceeds from the levy are distributed to eleven 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.

**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.

**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.

**Planning Fund** - The Planning Fund accounts for fees and expenditures to carry out long and short term planning activities throughout Clackamas 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.

#### NONMAJOR SPECIAL REVENUE FUNDS (Continued)

**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.

**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.

**Sunnyside Village Park Acquisition Fund** - The Sunnyside Village Park Acquisition Fund was established to account for development fees to be used to acquire parkland within Sunnyside Village.

**Sunnyside Village Park Road Frontage Construction Fund** - The Sunnyside Village Park Road Frontage Construction Fund was created to account for fees assessed to build roads adjacent to parks developed within Sunnyside Village.

**Emergency Management Fund** - The Emergency Management Fund accounts for the operation of the Emergency Management Department. The Department is comprised of two divisions. The Emergency 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 Payments Account Project Fund** - The County Payments Account Project Fund accounts for the revenues and expenditures related to the "Secure Rural Schools and Community Self-Determination Act of 2000".

**Joint Transportation SDC Fund** - The Joint Transportation SDC Fund accounts for the collection of transportation system development fees for the purpose of constructing extra capacity improvements arising from new developments.

**Tourism Development Council Fund** - The Tourism Development Council Fund accounts for the revenue and expenditures associated with the development of tourism in the County.

**Parks Trust Fund** - The Parks Trust Fund accounts for the intergovernmental sales of County owned timber and timberland. The fund does not meet the legal definition of a trust.

**Tax Title Land Fund** - The Tax Title Land Fund accounts for the proceeds from the sale of tax foreclosed property and to reimburse the Property Management Fund for costs incurred by the County prior to sale.

**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.

**North Clackamas Parks and Recreation District SDC Charge Fund** - The Systems Development Charge Fund was created to account for the fees collected from new developments in the District to help defray the costs associated with building new capital facilities to meet the needs created by growth.

**North Clackamas Parks and Recreation District SDC Charge Zone 1 Fund** - This Fund was created to account for System Development Charges received for the area within the City of Milwaukie.

#### NONMAJOR SPECIAL REVENUE FUNDS (Continued)

**North Clackamas Parks and Recreation District SDC Charge 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 SDC Charge 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, 2011

	Road Fund	DFC Children & Family Fund	County Fair Fund	Community Corrections Fund	County School Fund	Building Codes Fund	Community Development Fund	Community Solutions Fund	Family Court Service Fund	Law Library Fund
<b>ASSETS</b>										
Cash and investments	\$ 13,719,787	\$ 477,997	\$ 530,371	\$ 1,836,340	\$ 611	\$ 1,011,944	\$ 50	\$ 191,802	\$ 202,541	\$ 676,886
Taxes receivable	-	-	-	-	-	-	-	-	-	-
Accounts receivable	199,078	-	30,809	32,011	-	65,819	1,607	8,502	61,209	40,123
Assessment receivable	1,930	393,608	-	-	-	-	-	-	-	-
Grants receivable	2,048,698	-	-	-	-	-	1,542,288	899,796	-	-
Notes and contracts receivable	-	-	-	-	-	-	6,985,095	-	-	-
Due from other funds	473,262	245,668	-	-	-	11,933	129,458	1,300	600	-
Land held for resale	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Other assets	14,432	-	4,268	71,232	-	58,745	-	219,861	-	-
Interfund loan receivable	-	-	-	-	-	-	857,078	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 16,457,187</b>	<b>\$ 1,117,293</b>	<b>\$ 565,448</b>	<b>\$ 1,739,583</b>	<b>\$ 611</b>	<b>\$ 1,148,441</b>	<b>\$ 9,515,576</b>	<b>\$ 1,122,261</b>	<b>\$ 264,750</b>	<b>\$ 718,989</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Book overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 831,003	\$ -	\$ -	\$ -
Accounts payable	709,589	459,865	2,319	36,760	-	103,899	299,147	136,102	4,270	10,627
Accrued payroll	962,952	48,250	8,885	520,721	-	163,148	47,837	220,196	45,244	10,342
Deferred contract receivable	-	-	-	-	-	-	7,842,173	-	-	-
Due to other funds	2,049,639	2,261	-	2,453	-	-	(8,068)	22,980	2,968	2,011
Deposits	435,099	-	73,965	20	-	-	138,696	-	-	-
Deferred revenue	413,894	-	-	-	-	387,180	83,448	-	-	-
<b>TOTAL LIABILITIES</b>	<b>4,570,283</b>	<b>510,376</b>	<b>84,969</b>	<b>568,954</b>	<b>-</b>	<b>784,855</b>	<b>9,117,586</b>	<b>349,268</b>	<b>51,525</b>	<b>20,969</b>
<b>Fund balances (deficit):</b>										
Nonspendable	8,869,651	265,005	480,479	1,070,509	611	-	-	179,244	-	698,020
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,897,253	341,912	-	109,123	-	363,586	397,990	593,749	213,225	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>11,866,904</b>	<b>606,917</b>	<b>480,479</b>	<b>1,179,629</b>	<b>611</b>	<b>363,586</b>	<b>397,990</b>	<b>772,993</b>	<b>213,225</b>	<b>698,020</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 16,457,187</b>	<b>\$ 1,117,293</b>	<b>\$ 565,448</b>	<b>\$ 1,739,583</b>	<b>\$ 611</b>	<b>\$ 1,148,441</b>	<b>\$ 9,515,576</b>	<b>\$ 1,122,261</b>	<b>\$ 264,750</b>	<b>\$ 718,989</b>

CLACKAMAS COUNTY, OREGON  
 COMBINING BALANCE SHEET (Continued)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2011

	Parks Fund	Business & Economic Development Fund	Public Land Corner Preservation Fund	Social Services Fund	Code Enforcement & Sustainability Fund	Sunnyside Village Park Acquisition Fund	Sunnyside Village Park Road Frontage Construction Fund	Emergency Management Fund	Juvenile Fund	Transient Room Tax Fund
<b>ASSETS</b>										
Cash and investments	\$ 498,461	\$ 589,279	\$ 537,495	\$ 1,812,163	\$ 1,334,302	\$ 332,038	\$ 125,944	\$ 188,993	\$ 2,942,049	\$ -
Taxes receivable	-	-	-	-	-	-	-	-	-	-
Accounts receivable	52,201	-	2,442	492	16,948	-	-	1,151	16,161	307,962
Assessment receivable	-	-	-	-	-	-	-	-	-	-
Grants receivable	101,431	-	-	1,376,678	155,845	-	-	203,169	296,533	-
Notes and contracts receivable	-	-	-	-	-	-	-	-	-	-
Due from other funds	1,483	-	2,748	58,111	6,744	-	2,290	(66)	-	575
Land held for resale	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	27,034	91,837	-	-	-	6,291	-
Interfund loan receivable	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 653,576</b>	<b>\$ 589,279</b>	<b>\$ 542,685</b>	<b>\$ 3,274,386</b>	<b>\$ 1,605,678</b>	<b>\$ 332,038</b>	<b>\$ 128,234</b>	<b>\$ 393,215</b>	<b>\$ 3,261,034</b>	<b>\$ 308,537</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Book overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,918
Accounts payable	41,351	30,656	164	468,626	226,364	-	-	18,777	87,758	-
Accrued payroll	102,967	49,463	80,025	336,413	94,027	-	-	77,812	270,239	-
Deferred contract receivable	-	-	-	-	-	-	-	-	-	-
Due to other funds	7,570	15,204	3,349	49,162	50,911	-	-	21,712	2,162	-
Deposits	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	550,619	-	-	-	-	1,870,968	-
<b>TOTAL LIABILITIES</b>	<b>151,888</b>	<b>95,323</b>	<b>63,538</b>	<b>1,404,720</b>	<b>371,302</b>	<b>-</b>	<b>-</b>	<b>118,301</b>	<b>2,231,127</b>	<b>87,918</b>
<b>Fund balances (deficit):</b>										
Nonspendable	14,675	230,601	-	1,350,256	-	332,038	128,234	-	5,528	220,619
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	1,024,381	-
Assigned	487,013	263,355	479,147	511,410	1,234,374	-	-	274,314	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>501,888</b>	<b>493,956</b>	<b>479,147</b>	<b>1,869,666</b>	<b>1,234,374</b>	<b>332,038</b>	<b>128,234</b>	<b>274,314</b>	<b>1,029,907</b>	<b>220,619</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 653,576</b>	<b>\$ 589,279</b>	<b>\$ 542,685</b>	<b>\$ 3,274,386</b>	<b>\$ 1,605,678</b>	<b>\$ 332,038</b>	<b>\$ 128,234</b>	<b>\$ 393,215</b>	<b>\$ 3,261,034</b>	<b>\$ 308,537</b>

CLACKAMAS COUNTY, OREGON  
 COMBINING BALANCE SHEET (Continued)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2011

	Transportation System Development Charge Fund	District Attorney Fund	Justice Court Fund	Public Safety Local Option Levy Fund	Property Management Fund	County Payments Account Project Fund	Joint Transportation System Development Charge Fund	Tourism Development Council Fund	Parks Trust Fund	Tax Title Land Fund
<b>ASSETS</b>										
Cash and investments	\$ 2,802,402	\$ 560,105	\$ 1,566,490	\$ 3,825,609	\$ 46,852	\$ 2,170,055	\$ 1,509,675	\$ 768,742	\$ 1,378,860	\$ 23,799
Taxes receivable	-	10,047	-	506,234	-	-	566,553	110	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Assessment receivable	-	-	-	-	-	-	-	-	-	-
Grants receivable	-	477,108	-	-	-	4,020	-	-	-	-
Notes and contracts receivable	49,205	-	-	-	67,381	-	974,104	-	-	263,590
Due from other funds	405	-	-	3,276	-	-	16,582	-	-	9,303
Land held for resale	-	-	-	-	-	-	-	-	-	33,994
Prepaid items	-	-	-	-	-	-	-	-	-	-
Other assets	-	10,788	-	-	-	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,352,012</b>	<b>\$ 1,058,048</b>	<b>\$ 1,566,490</b>	<b>\$ 4,335,319</b>	<b>\$ 109,233</b>	<b>\$ 2,174,075</b>	<b>\$ 3,065,914</b>	<b>\$ 768,852</b>	<b>\$ 1,378,860</b>	<b>\$ 330,686</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Book overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	445	103,137	709,725	39,125	7	31,318	7,305	125,839	-	-
Accrued payroll	-	486,413	32,466	428,846	5,487	-	-	32,543	-	-
Deferred contract receivable	-	-	-	-	-	-	-	-	-	-
Due to other funds	44,754	-	21,081	-	-	96,176	-	431	-	-
Deposits	-	-	-	-	-	-	-	-	-	-
Deferred revenue	841,727	-	-	407,526	62,381	2,046,581	4,374,861	-	-	263,589
	886,926	589,550	762,272	873,497	67,875	2,174,075	4,382,166	156,813	-	263,589
<b>Fund balances (deficit):</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	33,994
Restricted	1,465,086	233	-	3,461,822	-	-	-	810,039	-	-
Committed	-	466,295	-	-	-	-	-	-	-	-
Assigned	-	-	804,218	-	41,358	-	-	-	1,378,860	33,103
Unassigned	-	-	-	-	-	-	(1,316,252)	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>1,465,086</b>	<b>468,468</b>	<b>804,218</b>	<b>3,461,822</b>	<b>41,358</b>	<b>-</b>	<b>(1,316,252)</b>	<b>810,039</b>	<b>1,378,860</b>	<b>67,097</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,352,012</b>	<b>\$ 1,058,048</b>	<b>\$ 1,566,490</b>	<b>\$ 4,335,319</b>	<b>\$ 109,233</b>	<b>\$ 2,174,075</b>	<b>\$ 3,065,914</b>	<b>\$ 768,852</b>	<b>\$ 1,378,860</b>	<b>\$ 330,686</b>

CLACKAMAS COUNTY, OREGON  
 COMBINING BALANCE SHEET (Continued)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2011

	North Clackamas Parks and Recreation District Fund	North Clackamas Parks and Recreation District System Development Charge 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 Enhanced Law Enforcement District Fund	Clackamas County Extension and 4-H Service District Fund	Library District of Clackamas County Fund	Total
<b>ASSETS</b>								
Cash and investments	\$ 4,388,256	\$ 926,076	\$ 741,708	\$ 441,296	\$ 257,046	\$ 734,203	\$ 1,848,328	\$ 50,505,441
Taxes receivable	307,162	-	-	-	-	59,227	82,405	954,026
Accounts receivable	89,070	-	26,113	-	22,244	-	-	1,650,562
Assessment receivable	-	-	-	-	-	-	776,257	1,171,785
Grants receivable	-	-	-	-	-	-	-	6,905,564
Notes and contracts receivable	-	-	-	-	-	-	-	8,334,375
Due from other funds	119,292	33,728	-	-	-	-	-	1,116,680
Land held for resale	-	-	-	-	-	-	-	33,994
Prepaid items	840	-	-	-	-	-	-	840
Other assets	-	-	-	-	-	-	-	504,488
Interfund loan receivable	-	-	-	-	-	-	-	857,078
<b>TOTAL ASSETS</b>	<b>\$ 4,904,618</b>	<b>\$ 959,804</b>	<b>\$ 767,821</b>	<b>\$ 441,296</b>	<b>\$ 279,290</b>	<b>\$ 792,430</b>	<b>\$ 1,930,733</b>	<b>\$ 71,934,843</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Book overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 918,921
Accounts payable	153,757	9,169	-	-	-	-	162,497	4,005,819
Accrued payroll	-	-	-	-	-	-	-	4,001,188
Deferred contract receivable	-	-	-	-	-	-	-	7,847,173
Due to other funds	1,064,057	86,535	-	-	-	637,221	-	4,194,569
Deposits	48,125	-	-	-	-	-	-	695,905
Deferred revenue	248,347	-	-	-	-	67,171	659,151	12,277,441
	1,534,286	94,704	-	-	-	637,221	229,668	797,472
<b>Fund balances (deficit):</b>								
Nonspendable	840	-	-	-	-	-	-	34,634
Restricted	-	101,848	767,821	441,296	279,290	155,209	1,701,065	23,140,265
Committed	-	-	-	-	-	-	-	1,492,646
Assigned	3,369,492	763,252	-	-	-	-	-	14,557,334
Unassigned	-	-	-	-	-	-	-	(1,316,252)
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>3,370,332</b>	<b>865,100</b>	<b>767,821</b>	<b>441,296</b>	<b>279,290</b>	<b>155,209</b>	<b>1,701,065</b>	<b>37,908,827</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,904,618</b>	<b>\$ 959,804</b>	<b>\$ 767,821</b>	<b>\$ 441,296</b>	<b>\$ 279,290</b>	<b>\$ 792,430</b>	<b>\$ 1,930,733</b>	<b>\$ 71,934,843</b>

CLACKAMAS COUNTY, OREGON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Road Fund	OFC Children & Family Fund	County Fair Fund	Community Corrections Fund	County School Fund	Building Codes Fund	Community Development Fund	Community Solutions Fund	Family Court Service Fund	Law Library Fund
<b>REVENUES:</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	3,044,874	-	-	-	21,980
Fines, forfeitures, and penalties	-	-	-	916,774	-	7,303	-	-	-	-
Interest	56,182	3,163	1,120	13,638	703	4,772	41,723	-	-	3,325
Intergovernmental	23,870,219	2,457,424	36,031	6,872,599	1,144,446	107,831	8,118,184	6,066,468	67,148	-
Charges for services	3,873,752	161,859	922,338	352,798	-	122,554	190,267	618,192	801,252	503,900
Contributions	-	3,682	-	-	-	-	-	2,704	-	-
Miscellaneous	1,282,680	10,671	112,227	13,536	-	1,967	649,785	84,618	-	-
<b>TOTAL REVENUES</b>	<b>29,082,719</b>	<b>2,636,829</b>	<b>1,071,716</b>	<b>7,979,343</b>	<b>1,145,149</b>	<b>3,269,301</b>	<b>8,999,959</b>	<b>6,801,979</b>	<b>890,381</b>	<b>507,225</b>
<b>EXPENDITURES:</b>										
Current:										
General government	-	-	-	-	-	3,629,399	-	-	977,840	-
Public protection	-	-	-	11,270,451	-	-	-	-	-	425,270
Public ways and facilities	25,333,624	-	-	-	-	-	-	-	-	-
Health and human services	-	3,793,510	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	8,649,630	7,214,556	-	-
Culture, education and recreation	-	-	1,251,137	-	1,193,962	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principle	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,261,252	-	8,888	13,126	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>26,594,876</b>	<b>3,793,510</b>	<b>1,260,025</b>	<b>11,283,577</b>	<b>1,193,962</b>	<b>3,629,399</b>	<b>8,649,630</b>	<b>7,214,556</b>	<b>977,840</b>	<b>425,270</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,487,843</b>	<b>(1,156,681)</b>	<b>(188,309)</b>	<b>(3,304,234)</b>	<b>(48,813)</b>	<b>(360,098)</b>	<b>350,329</b>	<b>(412,577)</b>	<b>(87,459)</b>	<b>81,955</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Proceeds from sale of capital assets	69,389	-	-	1,338	-	18,809	-	803	-	-
Transfers in	-	1,256,691	396,750	2,747,112	-	98,000	47,661	614,924	255,000	-
Transfers out	(1,018,727)	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(949,338)</b>	<b>1,256,691</b>	<b>396,750</b>	<b>2,748,451</b>	<b>-</b>	<b>116,809</b>	<b>47,661</b>	<b>615,727</b>	<b>255,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,538,505</b>	<b>102,010</b>	<b>208,441</b>	<b>(555,783)</b>	<b>(48,813)</b>	<b>(423,489)</b>	<b>397,990</b>	<b>203,150</b>	<b>167,541</b>	<b>81,955</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>10,348,399</b>	<b>504,907</b>	<b>272,036</b>	<b>1,735,412</b>	<b>49,424</b>	<b>787,075</b>	<b>-</b>	<b>580,843</b>	<b>45,684</b>	<b>616,065</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ 11,886,904</b>	<b>\$ 606,917</b>	<b>\$ 480,476</b>	<b>\$ 1,179,629</b>	<b>\$ 511</b>	<b>\$ 363,586</b>	<b>\$ 397,990</b>	<b>\$ 772,993</b>	<b>\$ 213,225</b>	<b>\$ 698,020</b>

78

CLACKAMAS COUNTY, OREGON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCES (Continued)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Parks Fund	Business & Economic Development Fund	Public Land Corner Preservation Fund	Social Services Fund	Code Enforcement & Sustainability Fund	Sunnyside Village Park Acquisition Fund	Sunnyside Village Park Road Frontage Construction Fund	Emergency Management Fund	Juvenile Fund	Transient Room Tax Fund
<b>REVENUES:</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	2,683,197
Licenses and permits	-	11,954	21,600	-	1,238,816	19,440	-	-	-	-
Fines, forfeitures, and penalties	335,089	-	-	-	11,376	-	-	-	18,362	-
Interest	-	-	3,777	7,071	6,750	1,554	504	(553)	-	1,126
Intergovernmental	682,953	53,518	-	11,744,549	1,636,841	-	-	1,063,760	1,545,496	-
Charges for services	192,888	423,173	892,046	1,582,930	648,968	-	5,385	500	128,512	-
Contributions	3,831	-	-	26,783	-	-	-	950	-	-
Miscellaneous	17,420	198,332	3,436	39,784	25,219	-	-	11,491	3,843	-
<b>TOTAL REVENUES</b>	<b>1,232,291</b>	<b>886,977</b>	<b>720,859</b>	<b>13,380,127</b>	<b>3,569,969</b>	<b>20,994</b>	<b>5,989</b>	<b>1,078,148</b>	<b>1,696,243</b>	<b>2,684,323</b>
<b>EXPENDITURES:</b>										
Current:										
General government	-	-	-	-	3,294,387	-	-	-	-	-
Public protection	-	-	-	-	-	-	-	2,376,418	7,920,228	-
Public ways and facilities	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	14,425,819	-	-	-	-	-	-
Economic development	-	1,453,958	-	-	-	-	-	-	-	-
Culture, education and recreation	2,683,708	-	1,123,707	-	-	-	-	-	-	50,725
Debt service	-	-	-	-	-	-	-	-	-	-
Principle	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Capital outlay	192,354	-	-	-	403,499	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,856,062</b>	<b>1,453,958</b>	<b>1,123,707</b>	<b>14,425,819</b>	<b>3,697,886</b>	<b>-</b>	<b>-</b>	<b>2,376,418</b>	<b>7,920,228</b>	<b>50,725</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,623,771)</b>	<b>(766,981)</b>	<b>(402,848)</b>	<b>(1,045,692)</b>	<b>(127,917)</b>	<b>20,994</b>	<b>5,989</b>	<b>(1,300,270)</b>	<b>(6,223,985)</b>	<b>2,633,598</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Proceeds from sale of capital assets	1,785	-	-	1,250	-	-	-	-	-	-
Transfers in	1,667,222	965,870	-	1,662,855	225,000	-	-	1,575,184	6,084,552	-
Transfers out	-	-	-	-	-	-	-	-	-	(2,490,905)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,669,007</b>	<b>965,870</b>	<b>-</b>	<b>1,664,105</b>	<b>225,000</b>	<b>-</b>	<b>-</b>	<b>1,575,184</b>	<b>6,084,552</b>	<b>(2,490,905)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>45,236</b>	<b>198,889</b>	<b>(402,848)</b>	<b>618,413</b>	<b>97,083</b>	<b>20,994</b>	<b>5,989</b>	<b>274,914</b>	<b>(139,433)</b>	<b>142,693</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>466,452</b>	<b>295,067</b>	<b>891,965</b>	<b>1,261,253</b>	<b>1,137,291</b>	<b>311,044</b>	<b>122,245</b>	<b>-</b>	<b>1,189,340</b>	<b>77,926</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ 501,688</b>	<b>\$ 493,956</b>	<b>\$ 479,117</b>	<b>\$ 1,869,666</b>	<b>\$ 1,234,374</b>	<b>\$ 332,038</b>	<b>\$ 129,234</b>	<b>\$ 274,914</b>	<b>\$ 1,029,907</b>	<b>\$ 220,619</b>

80

CLACKAMAS COUNTY, OREGON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCES (Continued)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Transportation System Development Charge Fund	District Attorney Fund	Justice Court Fund	Public Safety Local Option Levy Fund	Property Management Fund	County Payments Account Project Fund	2004 Transportation System Development Charge Fund	Tourism Development Council Fund	Parks Trust Fund	Tax Title Land Fund
<b>REVENUES:</b>										
Property taxes	\$ -	\$ -	\$ -	\$ 8,731,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-
Licenses and permits	190,765	-	-	-	-	-	1,181,857	-	-	-
Fines, forfeitures, and penalties	-	-	2,894,648	-	-	-	-	-	-	-
Interest	34,718	(885)	4,439	21,969	4,225	5,020	58,624	2,852	11,141	7,680
Intergovernmental	-	1,877,096	-	-	-	599,360	-	51,547	804,737	-
Charges for services	9,736	236,538	-	-	151,202	-	-	-	88,727	-
Contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	125,996	(5,307)	-	-	-	(1,030)	11,645	-	169,206
<b>TOTAL REVENUES</b>	<b>235,219</b>	<b>2,238,715</b>	<b>2,893,840</b>	<b>8,753,697</b>	<b>155,427</b>	<b>595,382</b>	<b>1,247,451</b>	<b>65,544</b>	<b>884,605</b>	<b>178,896</b>
<b>EXPENDITURES:</b>										
Current:										
General government	-	-	-	-	208,181	595,382	-	-	-	151,202
Public protection	-	10,147,866	1,992,224	8,750,995	-	-	-	-	-	-
Public ways and facilities	109,922	-	-	-	-	-	116,002	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Culture, education and recreation	-	-	-	-	-	-	-	2,244,564	-	-
Debt service:										
Principle	791,200	-	-	-	-	-	1,140,636	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	227,005	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>901,122</b>	<b>10,374,871</b>	<b>1,992,224</b>	<b>8,750,995</b>	<b>208,181</b>	<b>595,382</b>	<b>1,256,638</b>	<b>2,244,564</b>	<b>-</b>	<b>151,202</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(665,903)</b>	<b>(8,136,156)</b>	<b>901,616</b>	<b>2,702</b>	<b>(52,754)</b>	<b>-</b>	<b>(9,187)</b>	<b>(2,179,720)</b>	<b>884,605</b>	<b>25,694</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Proceeds from sale of capital assets	-	-	-	-	9,074	-	-	-	-	-
Transfers in	-	7,973,807	-	-	-	-	-	2,094,155	-	-
Transfers out	(1,140,045)	(30,582)	-	(100,000)	-	-	(425,268)	-	(1,501,634)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,140,045)</b>	<b>7,943,225</b>	<b>-</b>	<b>(100,000)</b>	<b>9,074</b>	<b>-</b>	<b>(425,268)</b>	<b>2,094,155</b>	<b>(1,501,634)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,605,948)</b>	<b>(192,931)</b>	<b>901,616</b>	<b>(97,298)</b>	<b>(43,680)</b>	<b>-</b>	<b>(434,455)</b>	<b>(64,565)</b>	<b>(617,029)</b>	<b>25,694</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>3,271,034</b>	<b>661,429</b>	<b>(127,399)</b>	<b>3,559,120</b>	<b>85,038</b>	<b>-</b>	<b>(891,797)</b>	<b>694,604</b>	<b>1,995,889</b>	<b>41,403</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ 1,465,086</b>	<b>\$ 468,498</b>	<b>\$ 804,218</b>	<b>\$ 3,461,822</b>	<b>\$ 41,358</b>	<b>\$ -</b>	<b>\$ (1,316,252)</b>	<b>\$ 610,039</b>	<b>\$ 1,378,860</b>	<b>\$ 67,097</b>

81

CLACKAMAS COUNTY, OREGON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCES (Continued)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	North Clackamas Parks and Recreation District Fund	North Clackamas Parks and Recreation District Nutrition and Transportation Fund	North Clackamas Parks and Recreation District Systems Development Charge 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 Enhanced Law Enforcement District Fund	Clackamas County Extension and 4-H Service District Fund	Library District of Clackamas County Fund	Total
<b>REVENUES:</b>										
Property taxes	\$ 5,190,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,127,318	\$ 1,708,224	\$ 13,165,586	\$ 33,923,310
Other taxes	-	-	-	-	-	-	-	-	-	2,663,197
Licenses and permits	-	-	738,193	191	264,569	400,233	-	-	-	7,135,472
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-	-	4,163,581
Interest	13,682	2,568	1,979	8	1,019	521	4,062	5,669	9,237	342,407
Intergovernmental	162,120	362,421	-	-	-	-	-	-	-	69,175,718
Charges for services	2,089,346	-	-	-	-	-	-	-	-	13,767,991
Contributions	12,675	169,477	-	-	-	-	-	-	-	220,102
Miscellaneous	69,899	14,640	-	-	-	-	-	-	-	2,859,058
<b>TOTAL REVENUES</b>	<b>7,558,306</b>	<b>579,106</b>	<b>740,172</b>	<b>197</b>	<b>265,588</b>	<b>400,754</b>	<b>5,131,380</b>	<b>1,714,913</b>	<b>13,174,823</b>	<b>134,290,836</b>
<b>EXPENDITURES:</b>										
Current:										
General government	-	-	-	-	-	-	-	-	-	9,056,391
Public protection	-	-	-	-	-	-	4,878,650	-	-	47,832,302
Public ways and facilities	-	-	-	-	-	-	-	-	-	25,559,548
Health and human services	1,491,586	454,049	-	-	-	-	-	-	-	20,164,964
Economic development	-	-	-	-	-	-	-	-	-	17,316,144
Culture, education and recreation	4,728,427	-	-	-	-	-	-	891,242	10,490,036	24,637,598
Debt service:										
Principle	-	-	-	-	-	-	75,000	-	-	2,006,836
Interest and fiscal charges	-	-	-	-	-	-	107,080	-	-	107,080
Capital outlay	-	-	-	-	-	-	-	-	-	2,106,124
<b>TOTAL EXPENDITURES</b>	<b>6,220,013</b>	<b>454,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,160,630</b>	<b>891,242</b>	<b>10,490,036</b>	<b>148,788,897</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,338,293</b>	<b>125,057</b>	<b>740,172</b>	<b>197</b>	<b>265,588</b>	<b>400,754</b>	<b>(29,550)</b>	<b>823,671</b>	<b>2,684,787</b>	<b>(14,498,061)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	102,249
Transfers in	31,000	72,200	-	-	-	-	-	-	-	27,769,963
Transfers out	(864,028)	(6,200)	(379,000)	(3,762)	(77,014)	(270,216)	-	-	(2,654,839)	(10,961,820)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(833,028)</b>	<b>66,000</b>	<b>(379,000)</b>	<b>(3,762)</b>	<b>(77,014)</b>	<b>(270,216)</b>	<b>-</b>	<b>-</b>	<b>(2,654,839)</b>	<b>16,910,412</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>505,265</b>	<b>191,257</b>	<b>361,172</b>	<b>(3,565)</b>	<b>188,574</b>	<b>130,538</b>	<b>(29,550)</b>	<b>823,671</b>	<b>30,146</b>	<b>2,412,351</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>2,866,067</b>	<b>673,843</b>	<b>406,649</b>	<b>3,565</b>	<b>252,722</b>	<b>148,752</b>	<b>184,769</b>	<b>877,394</b>	<b>152,943</b>	<b>35,495,476</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ 3,370,332</b>	<b>\$ 865,100</b>	<b>\$ 767,821</b>	<b>\$ -</b>	<b>\$ 441,296</b>	<b>\$ 279,290</b>	<b>\$ 155,209</b>	<b>\$ 1,701,065</b>	<b>\$ 183,091</b>	<b>\$ 37,905,827</b>

82

**CLACKAMAS COUNTY, OREGON  
ROAD FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 3,354,975	\$ 3,354,975	\$ 4,361,324	\$ 1,006,349
State	17,320,000	17,320,000	18,581,268	1,261,268
Local	1,028,115	1,028,115	927,627	(100,488)
Total intergovernmental	21,703,090	21,703,090	23,870,219	2,167,129
Charges for services:				
General government	2,842,517	2,842,517	3,418,655	576,138
Highways and streets	592,650	592,650	455,097	(137,553)
Total charges for services	3,435,167	3,435,167	3,873,752	438,585
Miscellaneous:				
Reimbursements	140,000	1,640,000	1,204,823	(435,177)
Interest	150,000	150,000	56,188	(93,812)
Other	15,000	15,000	77,737	62,737
Total miscellaneous	305,000	1,805,000	1,338,748	(466,252)
<b>TOTAL REVENUES</b>	<b>25,443,257</b>	<b>26,943,257</b>	<b>29,082,719</b>	<b>2,139,462</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Personal services	14,906,821	14,906,821	14,590,231	316,590
Materials and services	10,679,517	12,179,517	10,743,393	1,436,124
Capital outlay	1,280,000	1,280,000	1,261,252	18,748
Contingency	2,627,624	3,154,912	-	3,154,912
Reserve for future expenditures	2,000,000	2,000,000	-	2,000,000
TOTAL EXPENDITURES	31,493,962	33,521,250	26,594,876	6,926,374
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(6,050,705)</b>	<b>(6,577,993)</b>	<b>2,487,843</b>	<b>9,065,836</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	50,000	50,000	69,389	19,389
Transfers out	(1,822,179)	(3,822,179)	(1,018,727)	2,803,452
TOTAL OTHER FINANCING SOURCES (USES)	(1,772,179)	(3,772,179)	(949,338)	2,822,841
<b>NET CHANGE IN FUND BALANCE</b>	<b>(7,822,884)</b>	<b>(10,350,172)</b>	<b>1,538,505</b>	<b>11,888,677</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>7,822,884</b>	<b>10,350,172</b>	<b>10,348,399</b>	<b>(1,773)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,886,904</b>	<b>\$ 11,886,904</b>

**CLACKAMAS COUNTY, OREGON  
OFC CHILDREN & FAMILY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 709,612	\$ 796,485	\$ 391,675	\$ (404,810)
State	1,943,536	1,943,536	2,053,488	109,950
Local	11,938	11,938	12,283	325
Total intergovernmental	2,665,086	2,751,959	2,457,424	(294,535)
Charges for services:				
Charges for services	216,284	317,534	161,889	(155,645)
Total charges for services	216,284	317,534	161,889	(155,645)
Miscellaneous:				
Interest	5,000	5,000	3,163	(1,837)
Contributions	1,500	1,500	3,682	2,182
Other	3,000	3,000	10,671	7,671
Total miscellaneous	9,500	9,500	17,516	8,016
<b>TOTAL REVENUES</b>	<b>2,890,870</b>	<b>3,078,993</b>	<b>2,636,829</b>	<b>(442,164)</b>
<b>EXPENDITURES:</b>				
Health and human services:				
Personal services	964,075	998,924	821,984	176,940
Materials and services	3,125,667	3,461,441	2,971,526	489,915
TOTAL EXPENDITURES	4,089,742	4,460,365	3,793,510	666,855
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,198,872)</b>	<b>(1,381,372)</b>	<b>(1,156,681)</b>	<b>224,691</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	893,469	1,075,969	1,258,691	182,722
TOTAL OTHER FINANCING SOURCES (USES)	893,469	1,075,969	1,258,691	182,722
<b>NET CHANGE IN FUND BALANCE</b>	<b>(305,403)</b>	<b>(305,403)</b>	<b>102,010</b>	<b>407,413</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>305,403</b>	<b>305,403</b>	<b>504,907</b>	<b>199,503</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 606,917</b>	<b>\$ 606,916</b>

**CLACKAMAS COUNTY, OREGON  
COUNTY FAIR FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Oregon lottery revenue	\$ 36,000	\$ 36,000	\$ 36,031	\$ 31
Total intergovernmental	36,000	36,000	36,031	31
Charges for services:				
Concessions	250,000	250,000	241,045	(8,955)
Rentals	233,000	233,000	234,629	1,629
Admissions, parking and entry fees	426,000	426,000	446,664	20,664
Total charges for services	909,000	909,000	922,338	13,338
Miscellaneous:				
Interest	1,000	1,000	1,120	120
Sponsorships	109,000	109,000	107,271	(1,729)
Other	7,500	7,500	4,956	(2,544)
Total miscellaneous	117,500	117,500	113,347	(4,153)
<b>TOTAL REVENUES</b>	<b>1,062,500</b>	<b>1,062,500</b>	<b>1,071,716</b>	<b>9,216</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Personal services	523,200	483,200	405,365	77,835
Materials and services	845,600	885,600	845,772	39,828
Capital outlay	105,800	105,800	8,888	96,912
Contingency	64,650	64,650	-	64,650
<b>TOTAL EXPENDITURES</b>	<b>1,539,250</b>	<b>1,539,250</b>	<b>1,260,025</b>	<b>279,225</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(476,750)</b>	<b>(476,750)</b>	<b>(188,309)</b>	<b>288,441</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	396,750	396,750	396,750	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>396,750</b>	<b>396,750</b>	<b>396,750</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(80,000)</b>	<b>(80,000)</b>	<b>208,441</b>	<b>288,441</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>80,000</b>	<b>80,000</b>	<b>272,038</b>	<b>192,038</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 480,479</b>	<b>\$ 480,479</b>

**CLACKAMAS COUNTY, OREGON  
COMMUNITY CORRECTIONS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 2,500	\$ 2,500	\$ 92,162	\$ 89,662
State	6,881,562	6,610,062	6,483,037	(127,025)
Local	95,000	95,000	97,400	2,400
Total intergovernmental	6,979,062	6,707,562	6,672,599	(34,963)
Charges for services:				
Client fees	243,500	243,500	199,653	(43,847)
Other	161,500	161,500	163,143	1,643
Total charges for services	405,000	405,000	362,796	(42,204)
Fines, forfeitures, and penalties	835,000	835,000	916,774	81,774
Miscellaneous:				
Interest	50,000	50,000	13,638	(36,362)
Other	6,000	6,000	13,536	7,536
Total miscellaneous	56,000	56,000	27,174	(28,826)
<b>TOTAL REVENUES</b>	<b>8,275,062</b>	<b>8,003,562</b>	<b>7,979,343</b>	<b>(24,219)</b>
<b>EXPENDITURES:</b>				
Public Protection:				
Personal services	8,900,591	8,900,591	8,579,073	321,518
Materials and services	3,078,130	3,180,630	2,691,378	489,252
Capital outlay	19,000	19,000	13,126	5,874
<b>TOTAL EXPENDITURES</b>	<b>11,997,721</b>	<b>12,100,221</b>	<b>11,283,577</b>	<b>816,644</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,722,659)</b>	<b>(4,096,659)</b>	<b>(3,304,234)</b>	<b>792,425</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	-	-	1,339	1,339
Transfers in	2,373,112	2,747,112	2,747,112	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,373,112</b>	<b>2,747,112</b>	<b>2,748,451</b>	<b>1,339</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,349,547)</b>	<b>(1,349,547)</b>	<b>(555,793)</b>	<b>793,764</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>1,349,547</b>	<b>1,349,547</b>	<b>1,735,412</b>	<b>385,865</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,179,629</b>	<b>\$ 1,179,629</b>

**CLACKAMAS COUNTY, OREGON  
COUNTY SCHOOL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 1,200,572	\$ 1,200,572	\$ 1,144,446	\$ (56,126)
Total intergovernmental	1,200,572	1,200,572	1,144,446	(56,126)
Fines, forfeitures, and penalties	600	600	-	(600)
Miscellaneous:				
Interest	-	-	703	703
Total miscellaneous	-	-	703	703
<b>TOTAL REVENUES</b>	<b>1,201,172</b>	<b>1,201,172</b>	<b>1,145,149</b>	<b>(56,023)</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Materials and services	1,201,172	1,201,172	1,193,962	7,210
<b>TOTAL EXPENDITURES</b>	<b>1,201,172</b>	<b>1,201,172</b>	<b>1,193,962</b>	<b>7,210</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(48,813)</b>	<b>(48,813)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(48,813)</b>	<b>(48,813)</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>49,424</b>	<b>49,424</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 611</b>	<b>\$ 611</b>

**CLACKAMAS COUNTY, OREGON  
BUILDING CODES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Local	\$ -	\$ -	\$ 107,831	\$ 107,831
Total intergovernmental	-	-	107,831	107,831
Charges for services:				
Client fees	9,000	9,000	16,396	7,396
Other	130,000	130,000	106,158	(23,842)
Total charges for services	139,000	139,000	122,554	(16,446)
Licenses and permits:				
Building	1,675,000	1,754,667	1,208,894	(555,773)
Mobile home	18,500	18,500	18,535	35
Plumbing	634,362	634,362	494,849	(139,513)
Electrical	1,003,172	1,003,172	1,012,293	9,121
Other	348,998	348,998	310,303	(38,695)
Total licenses and permits	3,680,032	3,769,699	3,044,874	(724,825)
Fines, forfeitures, and penalties	7,000	7,000	7,303	303
Miscellaneous:				
Miscellaneous	6,000	6,000	-	(6,000)
Interest	8,250	8,250	4,772	(3,478)
Other	6,000	6,000	1,967	(4,033)
Total miscellaneous	20,250	20,250	6,739	(13,511)
<b>TOTAL REVENUES</b>	<b>3,846,282</b>	<b>3,935,949</b>	<b>3,289,301</b>	<b>(646,648)</b>
<b>EXPENDITURES:</b>				
General government:				
Personal services	2,359,704	2,577,371	2,555,513	21,859
Materials and services	1,245,837	1,315,837	1,273,886	41,951
Contingency	747,874	861,350	-	861,350
Total expenditures	4,353,415	4,754,558	3,829,399	925,159
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(507,133)</b>	<b>(818,609)</b>	<b>(540,098)</b>	<b>278,511</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	-	-	18,609	18,609
Transfers in	-	98,000	98,000	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>-</b>	<b>98,000</b>	<b>116,609</b>	<b>18,609</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(507,133)</b>	<b>(720,609)</b>	<b>(423,489)</b>	<b>297,120</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>507,133</b>	<b>720,609</b>	<b>787,075</b>	<b>66,468</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 363,586</b>	<b>\$ 363,588</b>

**CLACKAMAS COUNTY, OREGON  
COMMUNITY DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 8,549,747	\$ 8,549,747	\$ 5,967,156	\$ (2,582,591)
Local	1,570,000	1,570,000	2,151,028	581,028
Total intergovernmental	10,119,747	10,119,747	8,118,184	(2,001,563)
Charges for services:				
Charges for services	110,000	110,000	190,267	80,267
Total charges for services	110,000	110,000	190,267	80,267
Miscellaneous:				
Miscellaneous	-	-	1,613	1,613
Interest	32,000	32,000	41,723	9,723
Loan repayments	720,000	720,000	647,372	(72,628)
Other	20,881	20,881	800	(20,081)
Total miscellaneous	772,881	772,881	691,508	(81,373)
<b>TOTAL REVENUES</b>	<b>11,002,628</b>	<b>11,002,628</b>	<b>8,999,959</b>	<b>(2,002,669)</b>
<b>EXPENDITURES:</b>				
Economic development:				
Personal services	818,524	818,524	833,215	(14,691)
Materials and services	10,231,765	10,231,765	7,816,415	2,415,350
<b>TOTAL EXPENDITURES</b>	<b>11,050,289</b>	<b>11,050,289</b>	<b>8,649,630</b>	<b>2,400,659</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(47,661)</b>	<b>(47,661)</b>	<b>350,329</b>	<b>397,990</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	47,661	47,661	47,661	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>47,661</b>	<b>47,661</b>	<b>47,661</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>397,990</b>	<b>397,990</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 397,990</b>	<b>\$ 397,990</b>

**CLACKAMAS COUNTY, OREGON  
EMPLOYER CONTRIBUTIONS RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ -	\$ -	\$ 3,953	\$ 3,953
<b>EXPENDITURES:</b>				
General government				
Reserve for future expenditures	2,265,000	2,265,000	-	2,265,000
<b>TOTAL EXPENDITURES</b>	<b>2,265,000</b>	<b>2,265,000</b>	<b>-</b>	<b>2,265,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,265,000)</b>	<b>(2,265,000)</b>	<b>3,953</b>	<b>2,268,953</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	2,265,000	2,265,000	2,265,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,265,000</b>	<b>2,265,000</b>	<b>2,265,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>2,268,953</b>	<b>2,268,953</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,268,953</b>	<b>\$ 2,268,953</b>

**CLACKAMAS COUNTY, OREGON  
DOG CONTROL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Shelter fees	\$ 30,000	\$ 30,000	\$ 38,170	\$ 8,170
Total charges for services	30,000	30,000	38,170	8,170
Licenses and permits:				
Animal licenses	480,000	480,000	348,558	(131,442)
Adoption fees	25,500	25,500	48,658	23,158
Total licenses and permits	505,500	505,500	397,216	(108,284)
Fines, forfeitures, and penalties	7,000	7,000	6,355	(645)
Miscellaneous:				
Reimbursements	-	-	81	81
Interest	3,200	3,200	1,050	(2,150)
Contributions	4,500	4,500	28,000	23,500
Other	10,000	10,000	17,213	7,213
Total miscellaneous	17,700	17,700	46,344	28,644
<b>TOTAL REVENUES</b>	<b>560,200</b>	<b>560,200</b>	<b>488,085</b>	<b>(72,115)</b>
<b>EXPENDITURES:</b>				
Health and human services:				
Personal services	988,398	998,398	944,062	54,336
Materials and services	520,747	579,742	540,447	39,295
Contingency	-	150,351	-	150,351
<b>TOTAL EXPENDITURES</b>	<b>1,509,145</b>	<b>1,728,491</b>	<b>1,484,509</b>	<b>243,982</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(948,945)</b>	<b>(1,168,291)</b>	<b>(996,424)</b>	<b>171,867</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	819,789	1,020,140	975,718	(44,422)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>819,789</b>	<b>1,020,140</b>	<b>975,718</b>	<b>(44,422)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(129,156)</b>	<b>(148,151)</b>	<b>(20,706)</b>	<b>127,445</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>129,156</b>	<b>148,151</b>	<b>148,152</b>	<b>1</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 127,446</b>	<b>\$ 127,446</b>

**CLACKAMAS COUNTY, OREGON  
COMMUNITY SOLUTIONS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 2,817,821	\$ 2,817,821	\$ 2,748,744	\$ (69,077)
State	1,320,055	1,374,055	1,371,776	(2,279)
Local	2,500,714	2,570,714	1,975,945	(594,769)
<b>Total intergovernmental</b>	<b>6,638,590</b>	<b>6,762,590</b>	<b>6,096,465</b>	<b>(666,125)</b>
Charges for services:				
Internal county services	280,017	280,017	615,213	335,196
Education and training	-	-	2,979	2,979
<b>Total charges for services</b>	<b>280,017</b>	<b>280,017</b>	<b>618,192</b>	<b>338,175</b>
Miscellaneous:				
Reimbursements	-	-	9,171	9,171
Contributions	-	-	2,704	2,704
Other	52,186	52,186	75,447	23,261
<b>Total miscellaneous</b>	<b>52,186</b>	<b>52,186</b>	<b>87,322</b>	<b>35,136</b>
<b>TOTAL REVENUES</b>	<b>6,970,793</b>	<b>7,094,793</b>	<b>6,801,979</b>	<b>(292,814)</b>
<b>EXPENDITURES:</b>				
Economic development:				
Personal services	3,968,028	4,067,328	3,561,775	505,553
Materials and services	3,936,223	3,960,923	3,652,781	308,142
<b>TOTAL EXPENDITURES</b>	<b>7,904,251</b>	<b>8,028,251</b>	<b>7,214,556</b>	<b>813,695</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(933,458)</b>	<b>(933,458)</b>	<b>(412,577)</b>	<b>520,881</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	-	-	803	803
Transfers in	614,924	614,924	614,924	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>614,924</b>	<b>614,924</b>	<b>615,727</b>	<b>803</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(318,534)</b>	<b>(318,534)</b>	<b>203,150</b>	<b>521,684</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>318,534</b>	<b>318,534</b>	<b>569,843</b>	<b>251,309</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 772,993</b>	<b>\$ 772,993</b>

**CLACKAMAS COUNTY, OREGON  
FAMILY COURT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Local	\$ 55,000	\$ 55,000	\$ 67,149	\$ 12,149
Total intergovernmental	55,000	55,000	67,149	12,149
Charges for services:				
Client fees	88,080	88,080	106,284	18,204
Conciliation fees	490,576	490,576	592,932	102,356
Other	95,846	95,846	102,036	6,190
Total charges for services	674,502	674,502	801,252	126,750
Licenses and permits:				
Marriage license fees	23,000	23,000	21,980	(1,020)
Total licenses and permits	23,000	23,000	21,980	(1,020)
Miscellaneous:				
Miscellaneous	925	925	-	(925)
Total miscellaneous	925	925	-	(925)
<b>TOTAL REVENUES</b>	<b>753,427</b>	<b>753,427</b>	<b>890,381</b>	<b>136,954</b>
<b>EXPENDITURES:</b>				
General government:				
Personal services	676,777	756,777	718,325	38,252
Materials and services	254,286	254,286	259,315	(5,029)
<b>TOTAL EXPENDITURES</b>	<b>931,063</b>	<b>1,011,063</b>	<b>977,640</b>	<b>33,223</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(177,636)</b>	<b>(257,636)</b>	<b>(87,459)</b>	<b>170,177</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	175,000	255,000	255,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>175,000</b>	<b>255,000</b>	<b>255,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,636)</b>	<b>(2,636)</b>	<b>167,541</b>	<b>170,177</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>2,636</b>	<b>2,636</b>	<b>45,684</b>	<b>43,048</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 213,225</b>	<b>\$ 213,225</b>

**CLACKAMAS COUNTY, OREGON  
HEALTH, HOUSING & HUMAN SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Charges for services	\$ 425,038	\$ 425,038	\$ 338,117	\$ (86,921)
Internal county services	52,000	52,000	87,481	35,481
Total charges for services	477,038	477,038	425,598	(51,440)
Miscellaneous:				
Interest	-	-	(4,635)	(4,635)
Total miscellaneous	-	-	(4,635)	(4,635)
<b>TOTAL REVENUES</b>	<b>477,038</b>	<b>477,038</b>	<b>420,963</b>	<b>(56,075)</b>
<b>EXPENDITURES:</b>				
Health and human services:				
Personal services	655,776	637,337	633,270	4,067
Materials and services	473,980	492,399	292,451	199,948
<b>TOTAL EXPENDITURES</b>	<b>1,129,736</b>	<b>1,129,736</b>	<b>925,721</b>	<b>204,015</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(652,698)</b>	<b>(652,698)</b>	<b>(504,758)</b>	<b>147,940</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	505,857	505,857	505,857	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>505,857</b>	<b>505,857</b>	<b>505,857</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(146,841)</b>	<b>(146,841)</b>	<b>1,099</b>	<b>147,940</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>146,841</b>	<b>146,841</b>	<b>241,891</b>	<b>95,049</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 242,990</b>	<b>\$ 242,989</b>

**CLACKAMAS COUNTY, OREGON  
LAW LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Court fees	\$ 405,460	\$ 405,460	\$ 502,516	\$ 97,056
Other	6,000	6,000	1,384	(4,616)
Total charges for services	411,460	411,460	503,900	92,440
Miscellaneous:				
Interest	2,027	2,027	3,325	1,298
Total miscellaneous	2,027	2,027	3,325	1,298
<b>TOTAL REVENUES</b>	<b>413,487</b>	<b>413,487</b>	<b>507,225</b>	<b>93,738</b>
<b>EXPENDITURES:</b>				
Public protection:				
Personal services	169,643	169,643	164,844	4,799
Materials and services	287,637	287,637	260,428	27,211
Contingency	236,503	236,503	-	236,503
Reserve for future expenditures	226,502	226,502	-	226,502
<b>TOTAL EXPENDITURES</b>	<b>920,285</b>	<b>920,285</b>	<b>425,270</b>	<b>495,015</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(506,798)</b>	<b>(506,798)</b>	<b>81,955</b>	<b>588,753</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(506,798)</b>	<b>(506,798)</b>	<b>81,955</b>	<b>588,753</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>506,798</b>	<b>506,798</b>	<b>616,065</b>	<b>109,267</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 698,020</b>	<b>\$ 698,020</b>

**CLACKAMAS COUNTY, OREGON  
LIBRARY NETWORK FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ 12,341	\$ 12,341	\$ 7,917	\$ (4,424)
Local	9,003	9,003	52,431	43,428
Total intergovernmental	21,344	21,344	60,348	39,004
Charges for services:				
Charges for services	2,672	2,672	6,980	4,308
Total charges for services	2,672	2,672	6,980	4,308
Miscellaneous:				
Miscellaneous	50,000	50,000	59,270	9,270
Reimbursements	22,300	22,300	6,194	(16,106)
Interest	2,000	2,000	10,298	8,298
Contributions	3,000	3,000	3,863	863
Other	-	-	454	454
Total miscellaneous	77,300	77,300	80,079	2,779
<b>TOTAL REVENUES</b>	<b>101,316</b>	<b>101,316</b>	<b>147,407</b>	<b>46,091</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Personal services	2,046,276	2,067,359	1,959,512	107,847
Materials and services	5,661,270	5,973,187	3,494,717	2,478,470
Capital outlay	3,893,903	3,865,150	1,723,909	2,141,241
Contingency	58,870	58,870	-	58,870
<b>TOTAL EXPENDITURES</b>	<b>11,660,319</b>	<b>11,964,566</b>	<b>7,178,138</b>	<b>4,786,428</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(11,559,003)</b>	<b>(11,863,250)</b>	<b>(7,030,731)</b>	<b>4,832,519</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	11,372,905	11,677,152	11,567,141	(110,011)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>11,372,905</b>	<b>11,677,152</b>	<b>11,567,141</b>	<b>(110,011)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(186,098)</b>	<b>(186,098)</b>	<b>4,536,410</b>	<b>4,722,508</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>186,098</b>	<b>186,098</b>	<b>214,577</b>	<b>28,479</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,750,987</b>	<b>\$ 4,750,987</b>

**CLACKAMAS COUNTY, OREGON  
PARKS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 1,393,000	\$ 1,430,500	\$ 152,152	\$ (1,278,346)
State	838,250	838,250	432,726	(405,524)
Local	865,958	865,958	98,075	(767,883)
Total intergovernmental	3,097,208	3,134,708	682,953	(2,451,755)
Charges for services:				
Charges for services	217,148	217,148	192,988	(24,160)
Fines, forfeitures, and penalties	215,792	215,792	335,089	119,297
Miscellaneous:				
Miscellaneous	-	-	1,153	1,153
Contributions	500	500	3,831	3,331
Other	13,626	13,626	16,277	2,651
Total miscellaneous	14,126	14,126	21,261	7,135
<b>TOTAL REVENUES</b>	<b>3,544,274</b>	<b>3,581,774</b>	<b>1,232,291</b>	<b>(2,349,483)</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Personal services	1,464,364	1,567,364	1,389,732	177,632
Materials and services	1,477,714	1,515,214	1,273,976	241,238
Capital outlay	3,114,403	3,011,403	192,354	2,819,049
<b>TOTAL EXPENDITURES</b>	<b>6,056,481</b>	<b>6,093,981</b>	<b>2,856,062</b>	<b>3,237,919</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,512,207)</b>	<b>(2,512,207)</b>	<b>(1,623,771)</b>	<b>888,436</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	700	700	1,785	1,085
Transfers in	2,511,507	2,511,507	1,667,222	(844,285)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,512,207</b>	<b>2,512,207</b>	<b>1,669,007</b>	<b>(843,200)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>45,236</b>	<b>45,236</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>456,452</b>	<b>456,452</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 501,688</b>	<b>\$ 501,688</b>

**CLACKAMAS COUNTY, OREGON  
BUSINESS & ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 106,700	\$ 106,700	\$ 48,353	\$ (58,347)
State	5,000	5,000	5,168	165
Local	100,000	100,000	-	(100,000)
Total intergovernmental	211,700	211,700	53,518	(158,182)
Charges for services:				
Charges for services	416,800	416,800	423,173	6,373
Total charges for services	416,800	416,800	423,173	6,373
Licenses and permits:				
Licenses and permits	1,000	1,000	11,954	10,954
Total licenses and permits	1,000	1,000	11,954	10,954
Miscellaneous:				
Other	160,600	160,600	198,332	37,732
Total miscellaneous	160,600	160,600	198,332	37,732
<b>TOTAL REVENUES</b>	<b>790,100</b>	<b>790,100</b>	<b>686,977</b>	<b>(103,123)</b>
<b>EXPENDITURES:</b>				
Economic development:				
Personal services	1,068,238	968,238	893,972	74,266
Materials and services	866,304	868,304	559,986	308,318
Contingency	264,236	64,236	-	64,236
<b>TOTAL EXPENDITURES</b>	<b>1,998,778</b>	<b>1,900,778</b>	<b>1,453,958</b>	<b>446,820</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,208,678)</b>	<b>(1,110,678)</b>	<b>(766,981)</b>	<b>343,697</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	1,063,870	965,870	965,870	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,063,870</b>	<b>965,870</b>	<b>965,870</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(144,808)</b>	<b>(144,808)</b>	<b>198,889</b>	<b>343,697</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>144,808</b>	<b>144,808</b>	<b>295,067</b>	<b>150,261</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 493,956</b>	<b>\$ 493,956</b>

**CLACKAMAS COUNTY, OREGON  
PLANNING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ -	\$ 57,000	\$ 67,733	\$ 10,733
State	79,000	79,000	-	(79,000)
Local	65,000	155,000	101,652	(53,348)
Total intergovernmental	144,000	291,000	169,385	(121,615)
Charges for services:				
Charges for services	-	-	5,968	5,968
Internal county services	318,417	413,417	325,299	(88,118)
Other	424,775	488,675	389,862	(98,813)
Total charges for services	743,192	902,092	721,129	(180,963)
Licenses and permits:				
Licenses and permits	10,000	10,000	13,935	3,935
Total licenses and permits	10,000	10,000	13,935	3,935
Miscellaneous:				
Other	-	-	543	543
Total miscellaneous	-	-	543	543
<b>TOTAL REVENUES</b>	<b>897,192</b>	<b>1,203,092</b>	<b>904,992</b>	<b>(298,100)</b>
<b>EXPENDITURES:</b>				
Economic development:				
Personal services	2,223,936	2,273,936	2,269,366	4,570
Materials and services	994,742	1,100,291	1,005,180	95,111
Contingency	121,359	158,497	-	158,497
<b>TOTAL EXPENDITURES</b>	<b>3,340,037</b>	<b>3,532,724</b>	<b>3,274,546</b>	<b>258,178</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,442,845)</b>	<b>(2,329,632)</b>	<b>(2,369,554)</b>	<b>(39,922)</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	2,306,514	2,306,514	2,305,514	-
Transfers out	-	(200,351)	(155,929)	44,422
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,306,514</b>	<b>2,106,163</b>	<b>2,150,585</b>	<b>44,422</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(136,331)</b>	<b>(223,469)</b>	<b>(218,969)</b>	<b>4,500</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>136,331</b>	<b>223,469</b>	<b>221,902</b>	<b>(1,567)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,933</b>	<b>\$ 2,933</b>

**CLACKAMAS COUNTY, OREGON  
PUBLIC LAND CORNER PRESERVATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Charges for services	\$ 699,000	\$ 699,000	\$ 692,046	\$ (6,954)
Total charges for services	699,000	699,000	692,046	(6,954)
Licenses and permits:				
Licenses and permits	20,000	20,000	21,600	1,600
Total licenses and permits	20,000	20,000	21,600	1,600
Miscellaneous:				
Interest	5,000	5,000	3,777	(1,223)
Other	5,000	5,000	3,436	(1,564)
Total miscellaneous	10,000	10,000	7,213	(2,787)
<b>TOTAL REVENUES</b>	<b>729,000</b>	<b>729,000</b>	<b>720,859</b>	<b>(8,141)</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Personal services	849,861	869,861	867,775	2,086
Materials and services	249,038	279,038	255,932	23,106
Contingency	589,784	462,095	-	462,095
<b>TOTAL EXPENDITURES</b>	<b>1,688,683</b>	<b>1,610,994</b>	<b>1,123,707</b>	<b>487,287</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(959,683)</b>	<b>(881,994)</b>	<b>(402,848)</b>	<b>479,146</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(959,683)</b>	<b>(881,994)</b>	<b>(402,848)</b>	<b>479,146</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>959,683</b>	<b>881,994</b>	<b>881,995</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 479,147</b>	<b>\$ 479,146</b>

CLACKAMAS COUNTY, OREGON  
 SOCIAL SERVICES FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 4,378,747	\$ 5,166,774	\$ 4,907,524	\$ (259,250)
State	7,636,699	7,522,611	6,006,482	(1,516,129)
Local	1,001,278	973,686	830,543	(143,143)
Total intergovernmental	13,016,724	13,663,071	11,744,549	(1,918,522)
Charges for services:				
Charges for services	1,858,714	1,912,780	1,562,930	(349,850)
Total charges for services	1,858,714	1,912,780	1,562,930	(349,850)
Miscellaneous:				
Interest	-	-	7,071	7,071
Contributions	15,000	15,000	26,783	11,783
Other	-	-	38,794	38,794
Total miscellaneous	15,000	15,000	72,648	57,648
<b>TOTAL REVENUES</b>	<b>14,890,438</b>	<b>15,590,851</b>	<b>13,380,127</b>	<b>(2,210,724)</b>
<b>EXPENDITURES:</b>				
Health and human services:				
Personal services	5,974,775	6,399,093	5,617,371	781,722
Materials and services	10,466,274	11,329,309	8,808,448	2,520,861
Capital outlay	70,000	70,000	-	70,000
Contingency	28,244	28,244	-	28,244
Reserve for future expenditures	139,000	383,539	-	383,539
<b>TOTAL EXPENDITURES</b>	<b>16,678,293</b>	<b>18,210,185</b>	<b>14,425,819</b>	<b>3,784,366</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,787,855)</b>	<b>(2,619,334)</b>	<b>(1,045,692)</b>	<b>1,573,642</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	-	-	1,250	1,250
Transfers in	1,487,855	1,662,855	1,662,855	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,487,855</b>	<b>1,662,855</b>	<b>1,664,105</b>	<b>1,250</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(300,000)</b>	<b>(956,479)</b>	<b>618,413</b>	<b>1,574,892</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>300,000</b>	<b>956,479</b>	<b>1,251,253</b>	<b>294,774</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,869,666</b>	<b>\$ 1,869,666</b>

CLACKAMAS COUNTY, OREGON  
 CODE ENFORCEMENT & SUSTAINABILITY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 1,895,067	\$ 1,895,067	\$ 1,026,062	\$ (869,005)
Local	368,601	368,601	610,779	242,178
Total intergovernmental	2,263,668	2,263,668	1,636,841	(626,827)
Charges for services:				
Charges for services	611,354	611,354	649,968	38,614
Licenses and permits:				
Licenses and permits	978,000	978,000	1,239,816	261,816
Fines, forfeitures, and penalties	10,000	10,000	11,375	1,375
Miscellaneous:				
Interest	6,552	6,552	6,750	198
Other	3,000	3,000	25,219	22,219
Total miscellaneous	9,552	9,552	31,969	22,417
<b>TOTAL REVENUES</b>	<b>3,872,574</b>	<b>3,872,574</b>	<b>3,569,969</b>	<b>(302,605)</b>
<b>EXPENDITURES:</b>				
General government:				
Personal services	1,500,538	1,500,538	1,443,069	57,469
Materials and services	2,707,098	2,417,098	1,851,318	565,780
Capital outlay	75,000	365,000	403,499	(38,499)
Contingency	231,651	58,459	-	58,459
Reserve for future expenditures	894,770	894,770	-	894,770
<b>TOTAL EXPENDITURES</b>	<b>5,409,057</b>	<b>5,235,865</b>	<b>3,697,886</b>	<b>1,537,979</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,536,483)</b>	<b>(1,363,291)</b>	<b>(127,917)</b>	<b>1,235,374</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	1,000	1,000	-	(1,000)
Transfers in	225,000	225,000	225,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>226,000</b>	<b>226,000</b>	<b>225,000</b>	<b>(1,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,310,483)</b>	<b>(1,137,291)</b>	<b>97,083</b>	<b>1,234,374</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>1,310,483</b>	<b>1,137,291</b>	<b>1,137,291</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,234,374</b>	<b>\$ 1,234,374</b>

CLACKAMAS COUNTY, OREGON  
SUNNYSIDE VILLAGE PARK ACQUISITION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits:				
Licenses and permits	\$ -	\$ -	\$ 19,440	\$ 19,440
Total licenses and permits	-	-	19,440	19,440
Miscellaneous:				
Interest	5,000	5,000	1,554	(3,446)
Total miscellaneous	5,000	5,000	1,554	(3,446)
<b>TOTAL REVENUES</b>	<b>5,000</b>	<b>5,000</b>	<b>20,994</b>	<b>15,994</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Materials and services	326,271	316,044	-	316,044
<b>TOTAL EXPENDITURES</b>	<b>326,271</b>	<b>316,044</b>	<b>-</b>	<b>316,044</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(321,271)</b>	<b>(311,044)</b>	<b>20,994</b>	<b>332,038</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(321,271)</b>	<b>(311,044)</b>	<b>20,994</b>	<b>332,038</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>321,271</b>	<b>311,044</b>	<b>311,044</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 332,038</b>	<b>\$ 332,038</b>

CLACKAMAS COUNTY, OREGON  
SUNNYSIDE VILLAGE PARK ROAD FRONTAGE CONSTRUCTION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Charges for services	\$ -	\$ -	\$ 5,385	\$ 5,385
Total charges for services	-	-	5,385	5,385
Miscellaneous:				
Interest	1,000	1,000	604	(396)
Total miscellaneous	1,000	1,000	604	(396)
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>1,000</b>	<b>5,989</b>	<b>4,989</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Capital outlay	123,764	123,245	-	123,245
<b>TOTAL EXPENDITURES</b>	<b>123,764</b>	<b>123,245</b>	<b>-</b>	<b>123,245</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(122,764)</b>	<b>(122,245)</b>	<b>5,989</b>	<b>128,234</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(122,764)</b>	<b>(122,245)</b>	<b>5,989</b>	<b>128,234</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>122,764</b>	<b>122,245</b>	<b>122,245</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 128,234</b>	<b>\$ 128,234</b>

CLACKAMAS COUNTY, OREGON  
EMERGENCY MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 955,963	\$ 1,379,914	\$ 1,063,760	\$ (316,154)
Total intergovernmental	955,963	1,379,914	1,063,760	(316,154)
Charges for services:				
Charges for services	1,600	1,600	500	(1,100)
Total charges for services	1,600	1,600	500	(1,100)
Miscellaneous:				
Miscellaneous	-	-	11,491	11,491
Interest	-	-	(553)	(553)
Contributions	35,000	35,000	950	(34,050)
Total miscellaneous	35,000	35,000	11,888	(23,112)
<b>TOTAL REVENUES</b>	<b>992,563</b>	<b>1,416,514</b>	<b>1,076,148</b>	<b>(340,366)</b>
<b>EXPENDITURES:</b>				
Public protection:				
Personal services	1,389,481	1,389,481	1,342,945	46,536
Materials and services	1,178,266	1,602,217	1,033,473	568,744
<b>TOTAL EXPENDITURES</b>	<b>2,567,747</b>	<b>2,991,698</b>	<b>2,376,418</b>	<b>615,280</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,575,184)</b>	<b>(1,575,184)</b>	<b>(1,300,270)</b>	<b>274,914</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	1,575,184	1,575,184	1,575,184	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,575,184</b>	<b>1,575,184</b>	<b>1,575,184</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>274,914</b>	<b>274,914</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 274,914</b>	<b>\$ 274,914</b>

CLACKAMAS COUNTY, OREGON  
JUVENILE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 202,678	\$ 450,715	\$ 600,926	\$ 150,211
State	451,665	548,355	879,980	331,625
Local	-	-	64,590	64,590
Total intergovernmental	654,343	999,070	1,545,496	546,426
Charges for services:				
Charges for services	646,257	646,874	128,512	(518,362)
Total charges for services	646,257	646,874	128,512	(518,362)
Fines, forfeitures, and penalties	25,000	25,000	18,392	(6,608)
Miscellaneous:				
Reimbursements	575,064	575,064	-	(575,064)
Other	4,000	4,000	3,843	(157)
Total miscellaneous	579,064	579,064	3,843	(575,221)
<b>TOTAL REVENUES</b>	<b>1,904,664</b>	<b>2,250,008</b>	<b>1,696,243</b>	<b>(553,765)</b>
<b>EXPENDITURES:</b>				
Public protection:				
Personal services	4,474,402	4,571,147	4,354,176	216,971
Materials and services	3,904,129	5,027,348	3,566,052	1,461,296
<b>TOTAL EXPENDITURES</b>	<b>8,378,531</b>	<b>9,598,495</b>	<b>7,920,228</b>	<b>1,678,267</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(6,473,867)</b>	<b>(7,348,487)</b>	<b>(6,223,985)</b>	<b>1,124,502</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	5,988,324	6,130,824	6,084,552	(46,272)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,988,324</b>	<b>6,130,824</b>	<b>6,084,552</b>	<b>(46,272)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(485,543)</b>	<b>(1,217,663)</b>	<b>(139,433)</b>	<b>1,078,230</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>485,543</b>	<b>1,217,663</b>	<b>1,169,340</b>	<b>(48,325)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,029,907</b>	<b>\$ 1,029,905</b>

CLACKAMAS COUNTY, OREGON  
TRANSIENT ROOM TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Hotel and motel occupancy tax	\$ 2,459,700	\$ 2,459,700	\$ 2,683,197	\$ 223,497
Miscellaneous:				
Interest	4,000	4,000	1,126	(2,874)
Total miscellaneous	4,000	4,000	1,126	(2,874)
<b>TOTAL REVENUES</b>	<b>2,463,700</b>	<b>2,463,700</b>	<b>2,684,323</b>	<b>220,623</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Materials and services	49,195	50,725	50,725	-
<b>TOTAL EXPENDITURES</b>	<b>49,195</b>	<b>50,725</b>	<b>50,725</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,414,505</b>	<b>2,412,975</b>	<b>2,633,598</b>	<b>220,623</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(2,414,505)	(2,490,905)	(2,490,905)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,414,505)</b>	<b>(2,490,905)</b>	<b>(2,490,905)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>(77,930)</b>	<b>142,693</b>	<b>220,623</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>77,930</b>	<b>77,926</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 220,619</b>	<b>\$ 220,623</b>

CLACKAMAS COUNTY, OREGON  
TRANSPORTATION SYSTEM DEVELOPMENT CHARGE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
General government	\$ 2,517	\$ 2,517	\$ 9,736	\$ 7,219
Total charges for services	2,517	2,517	9,736	7,219
Licenses and permits:				
Licenses and permits	1,174,367	1,174,367	190,765	(983,602)
Total licenses and permits	1,174,367	1,174,367	190,765	(983,602)
Miscellaneous:				
Interest	16,102	16,102	34,718	18,616
Total miscellaneous	16,102	16,102	34,718	18,616
<b>TOTAL REVENUES</b>	<b>1,192,986</b>	<b>1,192,986</b>	<b>235,219</b>	<b>(957,767)</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Materials and services	299,227	299,227	109,922	189,305
Debt Service				
Principle	791,200	791,200	791,200	-
Contingency	707,213	1,052,672	-	1,052,672
<b>TOTAL EXPENDITURES</b>	<b>1,797,640</b>	<b>2,143,099</b>	<b>901,122</b>	<b>1,241,977</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(604,654)</b>	<b>(950,113)</b>	<b>(665,903)</b>	<b>284,210</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	100,000	100,000	-	(100,000)
Transfers out	(2,395,739)	(2,395,739)	(1,140,045)	1,255,694
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,295,739)</b>	<b>(2,295,739)</b>	<b>(1,140,045)</b>	<b>1,155,694</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,900,393)</b>	<b>(3,245,852)</b>	<b>(1,805,948)</b>	<b>1,439,904</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>2,900,393</b>	<b>3,245,852</b>	<b>3,271,034</b>	<b>25,182</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,465,086</b>	<b>\$ 1,465,086</b>

CLACKAMAS COUNTY, OREGON  
DISTRICT ATTORNEY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 354,800	\$ 391,854	\$ 1,165,330	\$ 773,476
State	1,644,668	1,644,668	711,736	(932,932)
Total intergovernmental	1,999,468	2,036,522	1,877,066	(169,456)
Charges for services:				
Charges for services	-	190,000	236,538	46,538
Total charges for services	-	190,000	236,538	46,538
Miscellaneous:				
Interest	2,000	2,000	(885)	(2,885)
Contributions	100	100	-	(100)
Other	326,788	328,788	125,996	(200,792)
Total miscellaneous	328,888	328,888	125,111	(203,777)
<b>TOTAL REVENUES</b>	<b>2,328,356</b>	<b>2,555,410</b>	<b>2,238,715</b>	<b>(316,695)</b>
<b>EXPENDITURES:</b>				
Public protection:				
Personal services	8,414,596	8,444,200	8,004,684	439,516
Materials and services	2,221,043	2,329,693	2,143,182	186,511
Capital outlay	-	225,661	227,005	(1,344)
<b>TOTAL EXPENDITURES</b>	<b>10,635,639</b>	<b>10,999,554</b>	<b>10,374,871</b>	<b>624,683</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,307,283)</b>	<b>(8,444,144)</b>	<b>(8,136,156)</b>	<b>307,988</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	7,878,607	7,973,807	7,973,807	-
Transfers out	(76,854)	(76,854)	(30,582)	46,272
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>7,801,753</b>	<b>7,896,953</b>	<b>7,943,225</b>	<b>46,272</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(505,530)</b>	<b>(547,191)</b>	<b>(192,931)</b>	<b>354,260</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>505,530</b>	<b>547,191</b>	<b>661,429</b>	<b>114,238</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 468,498</b>	<b>\$ 468,498</b>

CLACKAMAS COUNTY, OREGON  
JUSTICE COURT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Fines, forfeitures, and penalties	2,000,000	3,000,000	2,894,648	(105,352)
Miscellaneous:				
Interest	-	-	4,499	4,499
Other	-	-	(5,307)	(5,307)
Total miscellaneous	-	-	(808)	(808)
<b>TOTAL REVENUES</b>	<b>2,000,000</b>	<b>3,000,000</b>	<b>2,893,840</b>	<b>(106,160)</b>
<b>EXPENDITURES:</b>				
Public protection:				
Personal services	626,287	626,287	624,334	1,953
Materials and services	299,402	1,446,601	1,337,890	108,911
Debt Service				
Principle	106,200	106,200	-	106,200
Contingency	328,111	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,360,000</b>	<b>2,179,288</b>	<b>1,962,224</b>	<b>217,064</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>640,000</b>	<b>820,712</b>	<b>931,616</b>	<b>110,904</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(640,000)	(820,712)	-	820,712
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(640,000)</b>	<b>(820,712)</b>	<b>-</b>	<b>820,712</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>931,616</b>	<b>931,616</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>(127,398)</b>	<b>(127,398)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 804,218</b>	<b>\$ 804,218</b>

CLACKAMAS COUNTY, OREGON  
PUBLIC SAFETY LOCAL OPTION LEVY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes:				
Current	\$ 8,563,188	\$ 8,563,188	\$ 8,395,523	\$ (167,665)
Delinquent	227,500	227,500	324,189	96,689
Total property taxes	8,790,688	8,790,688	8,719,712	(70,976)
Miscellaneous:				
Interest	47,500	47,500	21,999	(25,501)
Total miscellaneous	47,500	47,500	21,999	(25,501)
<b>TOTAL REVENUES</b>	<b>8,838,188</b>	<b>8,838,188</b>	<b>8,741,711</b>	<b>(96,477)</b>
<b>EXPENDITURES:</b>				
Public protection:				
Personal services	7,505,755	7,505,755	7,365,981	139,774
Materials and services	1,431,829	1,595,370	1,385,014	210,356
Contingency	1,071,638	908,097	-	908,097
Reserve for future expenditures	1,606,063	1,606,063	-	1,606,063
<b>TOTAL EXPENDITURES</b>	<b>11,615,285</b>	<b>11,615,285</b>	<b>8,750,995</b>	<b>2,864,290</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,777,097)</b>	<b>(2,777,097)</b>	<b>(9,284)</b>	<b>2,767,813</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(125,000)	(125,000)	(100,000)	25,000
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>(125,000)</b>	<b>(125,000)</b>	<b>(100,000)</b>	<b>25,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,902,097)</b>	<b>(2,902,097)</b>	<b>(109,284)</b>	<b>2,792,813</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>2,902,097</b>	<b>2,902,097</b>	<b>3,472,398</b>	<b>570,300</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,363,114</b>	<b>\$ 3,363,113</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			98,708	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<b>\$ 3,461,822</b>	

CLACKAMAS COUNTY, OREGON  
PROPERTY MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ 13,000	\$ 13,000	\$ -	\$ (13,000)
Total intergovernmental	13,000	13,000	-	(13,000)
Charges for services:				
Charges for services	156,202	156,202	151,202	(5,000)
Total charges for services	156,202	156,202	151,202	(5,000)
Miscellaneous:				
Interest	3,430	3,430	4,225	795
Total miscellaneous	3,430	3,430	4,225	795
<b>TOTAL REVENUES</b>	<b>172,632</b>	<b>172,632</b>	<b>155,427</b>	<b>(17,205)</b>
<b>EXPENDITURES:</b>				
General government:				
Personal services	113,480	113,480	98,564	14,916
Materials and services	201,379	201,379	109,617	91,762
<b>TOTAL EXPENDITURES</b>	<b>314,859</b>	<b>314,859</b>	<b>208,181</b>	<b>106,678</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(142,227)</b>	<b>(142,227)</b>	<b>(52,754)</b>	<b>89,473</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	9,866	9,866	9,074	(792)
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>9,866</b>	<b>9,866</b>	<b>9,074</b>	<b>(792)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(132,361)</b>	<b>(132,361)</b>	<b>(43,680)</b>	<b>88,681</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>132,361</b>	<b>132,361</b>	<b>85,038</b>	<b>(47,323)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 41,358</b>	<b>\$ 41,358</b>

CLACKAMAS COUNTY, OREGON  
COUNTY PAYMENTS ACCOUNT PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 1,962,801	\$ 1,962,801	\$ 590,362	\$ (1,372,439)
Total intergovernmental	1,962,801	1,962,801	590,362	(1,372,439)
Miscellaneous:				
Interest	25,000	25,000	5,020	(19,980)
Total miscellaneous	25,000	25,000	5,020	(19,980)
<b>TOTAL REVENUES</b>	<b>1,987,801</b>	<b>1,987,801</b>	<b>595,382</b>	<b>(1,392,419)</b>
<b>EXPENDITURES:</b>				
General government:				
Materials and services	1,987,801	1,987,801	595,382	1,392,419
<b>TOTAL EXPENDITURES</b>	<b>1,987,801</b>	<b>1,987,801</b>	<b>595,382</b>	<b>1,392,419</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CLACKAMAS COUNTY, OREGON  
JOINT TRANSPORTATION SYSTEM DEVELOPMENT CHARGE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits:				
Licenses and permits	\$ 1,107,502	\$ 1,107,502	\$ 1,181,857	\$ 74,355
Total licenses and permits	1,107,502	1,107,502	1,181,857	74,355
Miscellaneous:				
Miscellaneous	-	-	(1,030)	(1,030)
Interest	51,631	51,631	66,624	14,993
Total miscellaneous	51,631	51,631	65,594	13,963
<b>TOTAL REVENUES</b>	<b>1,159,133</b>	<b>1,159,133</b>	<b>1,247,451</b>	<b>88,318</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Materials and services	322,981	322,981	116,002	206,979
Debt Service				
Principle	1,140,636	1,140,636	1,140,636	-
Contingency	452,356	327,356	-	327,356
Reserve for future expenditures	1,140,636	1,140,636	-	1,140,636
<b>TOTAL EXPENDITURES</b>	<b>3,056,609</b>	<b>2,931,609</b>	<b>1,256,638</b>	<b>1,874,971</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,897,476)</b>	<b>(1,772,476)</b>	<b>(9,187)</b>	<b>1,763,289</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	1,000,000	1,000,000	-	(1,000,000)
Transfers in	1,000,000	1,000,000	-	(1,000,000)
Transfers out	(428,706)	(553,706)	(425,268)	128,438
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,571,294</b>	<b>1,446,294</b>	<b>(425,268)</b>	<b>(1,871,562)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(326,182)</b>	<b>(326,182)</b>	<b>(434,455)</b>	<b>(108,273)</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>326,182</b>	<b>326,182</b>	<b>(881,797)</b>	<b>(1,207,979)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,316,252)</b>	<b>\$ (1,316,252)</b>

CLACKAMAS COUNTY, OREGON  
TOURISM DEVELOPMENT COUNCIL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Local	\$ 44,000	\$ 44,000	\$ 51,547	\$ 7,547
Total intergovernmental	44,000	44,000	51,547	7,547
Miscellaneous:				
Interest	6,000	6,000	2,652	(3,348)
Other	12,000	12,000	11,645	(355)
Total miscellaneous	18,000	18,000	14,297	(3,703)
<b>TOTAL REVENUES</b>	<b>62,000</b>	<b>62,000</b>	<b>65,844</b>	<b>3,844</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Personal services	439,053	499,216	502,848	(3,632)
Materials and services	2,004,914	1,944,751	1,741,716	203,035
Contingency	257,295	333,695	-	333,695
<b>TOTAL EXPENDITURES</b>	<b>2,701,262</b>	<b>2,777,662</b>	<b>2,244,564</b>	<b>533,098</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,639,262)</b>	<b>(2,715,662)</b>	<b>(2,178,720)</b>	<b>536,942</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	2,017,755	2,094,155	2,094,155	-
<b>TOTAL OTHER FINANCING   SOURCES (USES)</b>	<b>2,017,755</b>	<b>2,094,155</b>	<b>2,094,155</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(621,507)</b>	<b>(621,507)</b>	<b>(84,565)</b>	<b>536,942</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>621,507</b>	<b>621,507</b>	<b>694,604</b>	<b>73,099</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 610,039</b>	<b>\$ 610,041</b>

CLACKAMAS COUNTY, OREGON  
PARKS TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal forest reserve timber sales	\$ 625,000	\$ 625,000	\$ 804,737	\$ 179,737
Total intergovernmental	625,000	625,000	804,737	179,737
Charges for services:				
Charges for services	95,000	95,000	68,727	(26,273)
Total charges for services	95,000	95,000	68,727	(26,273)
Miscellaneous:				
Interest	50,000	50,000	11,141	(38,859)
Total miscellaneous	50,000	50,000	11,141	(38,859)
<b>TOTAL REVENUES</b>	<b>770,000</b>	<b>770,000</b>	<b>884,605</b>	<b>114,605</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Contingency	381,315	381,315	-	381,315
Reserve for future expenditures	1,000,000	1,000,000	-	1,000,000
<b>TOTAL EXPENDITURES</b>	<b>1,381,315</b>	<b>1,381,315</b>	<b>-</b>	<b>1,381,315</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(611,315)</b>	<b>(611,315)</b>	<b>884,605</b>	<b>1,495,920</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	350,000	350,000	-	(350,000)
Transfers out	(2,171,721)	(2,171,721)	(1,501,634)	670,087
<b>TOTAL OTHER FINANCING   SOURCES (USES)</b>	<b>(1,821,721)</b>	<b>(1,821,721)</b>	<b>(1,501,634)</b>	<b>320,087</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,433,036)</b>	<b>(2,433,036)</b>	<b>(617,029)</b>	<b>1,816,007</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>2,433,036</b>	<b>2,433,036</b>	<b>1,995,889</b>	<b>(437,146)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,378,860</b>	<b>\$ 1,378,861</b>

**CLACKAMAS COUNTY, OREGON**  
**TAX TITLE LAND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 9,303	\$ 9,303
Interest	27,060	27,060	7,690	(19,370)
Sale of foreclosed property	124,142	124,142	165,909	41,767
Total miscellaneous	151,202	151,202	182,902	31,700
<b>TOTAL REVENUES</b>	<b>151,202</b>	<b>151,202</b>	<b>182,902</b>	<b>31,700</b>
<b>EXPENDITURES:</b>				
General government:				
Materials and services	151,202	151,202	151,202	-
<b>TOTAL EXPENDITURES</b>	<b>151,202</b>	<b>151,202</b>	<b>151,202</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>31,700</b>	<b>31,700</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>31,700</b>	<b>31,700</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>41,403</b>	<b>41,403</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,103</b>	<b>\$ 73,103</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Land held for resale			(6,006)	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<b>\$ 67,097</b>	

**CLACKAMAS COUNTY, OREGON**  
**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes:				
Property taxes	\$ 5,109,598	\$ 5,109,598	\$ 5,191,191	\$ 81,593
Total Property Taxes	5,109,598	5,109,598	5,191,191	81,593
Intergovernmental:				
Local	57,000	182,000	162,120	(19,880)
Total intergovernmental	57,000	182,000	162,120	(19,880)
Charges for services:				
Charges for services	1,915,662	1,915,662	2,089,346	173,684
Total charges for services	1,915,662	1,915,662	2,089,346	173,684
Miscellaneous:				
Miscellaneous	350,500	350,500	89,999	(260,501)
Interest	11,000	11,000	13,682	2,682
Contributions	12,000	12,000	12,675	675
Total miscellaneous	373,500	373,500	116,356	(257,144)
<b>TOTAL REVENUES</b>	<b>7,455,760</b>	<b>7,580,760</b>	<b>7,559,013</b>	<b>(21,747)</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Administration	604,340	799,340	789,159	10,181
Park services	1,201,125	1,201,125	1,074,509	126,616
Program services	1,081,493	1,081,493	835,884	245,609
Milwaukie Center	779,268	779,268	722,505	56,763
Aquatic Park	2,012,968	2,012,968	1,826,386	186,582
Community relations	668,960	643,960	455,270	188,690
Planning and natural resources	650,802	705,802	516,300	189,502
Contingency	1,358,250	1,258,250	-	1,258,250
<b>TOTAL EXPENDITURES</b>	<b>8,355,206</b>	<b>8,480,206</b>	<b>6,220,013</b>	<b>2,260,193</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(899,446)</b>	<b>(899,446)</b>	<b>1,339,000</b>	<b>2,238,446</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	31,000	31,000	31,000	-
Transfers out	(880,000)	(880,000)	(864,028)	15,972
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(849,000)</b>	<b>(849,000)</b>	<b>(833,028)</b>	<b>15,972</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,748,446)</b>	<b>(1,748,446)</b>	<b>505,972</b>	<b>2,254,418</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>1,748,446</b>	<b>1,748,446</b>	<b>2,805,547</b>	<b>1,057,100</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>3,311,519</b>	<b>\$ 3,311,518</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			58,813	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<b>\$ 3,370,332</b>	

CLACKAMAS COUNTY, OREGON  
 NORTH CLACKAMAS PARKS AND RECREATION DISTRICT NUTRITION AND TRANSPORTATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ 51,560	\$ 51,560	\$ 54,031	\$ 2,471
Local	193,000	193,000	338,390	145,390
Total intergovernmental	244,560	244,560	392,421	147,861
Miscellaneous:				
Miscellaneous	18,700	18,700	14,640	(4,060)
Interest	1,250	1,250	2,568	1,318
Contributions	139,000	139,000	169,477	30,477
Total miscellaneous	158,950	158,950	186,685	27,735
<b>TOTAL REVENUES</b>	<b>403,510</b>	<b>403,510</b>	<b>579,106</b>	<b>175,596</b>
<b>EXPENDITURES:</b>				
Nutrition division	350,419	355,419	324,720	30,699
Transportation division	132,557	132,557	129,329	3,228
Contingency	537,335	532,335	-	532,335
<b>TOTAL EXPENDITURES</b>	<b>1,020,311</b>	<b>1,020,311</b>	<b>454,049</b>	<b>566,262</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(616,801)</b>	<b>(616,801)</b>	<b>125,057</b>	<b>741,858</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	80,000	80,000	72,200	(7,800)
Transfers out	(6,000)	(6,000)	(6,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>74,000</b>	<b>74,000</b>	<b>66,200</b>	<b>(7,800)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(542,801)</b>	<b>(542,801)</b>	<b>191,257</b>	<b>734,058</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>542,801</b>	<b>542,801</b>	<b>673,843</b>	<b>131,042</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 865,100</b>	<b>\$ 865,100</b>

CLACKAMAS COUNTY, OREGON  
 NORTH CLACKAMAS PARKS AND RECREATION DISTRICT SYSTEMS DEVELOPMENT CHARGE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits:				
Licenses and permits	\$ 375,087	\$ 375,087	\$ 738,193	\$ 363,106
Total licenses and permits	375,087	375,087	738,193	363,106
Miscellaneous:				
Interest	1,000	1,000	1,979	979
Total miscellaneous	1,000	1,000	1,979	979
<b>TOTAL REVENUES</b>	<b>376,087</b>	<b>376,087</b>	<b>740,172</b>	<b>364,085</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>376,087</b>	<b>376,087</b>	<b>740,172</b>	<b>364,085</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(379,000)	(379,000)	(379,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(379,000)</b>	<b>(379,000)</b>	<b>(379,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,913)</b>	<b>(2,913)</b>	<b>361,172</b>	<b>364,085</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>2,913</b>	<b>2,913</b>	<b>406,649</b>	<b>403,736</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 767,821</b>	<b>\$ 767,821</b>

CLACKAMAS COUNTY, OREGON  
 NORTH CLACKAMAS PARKS AND RECREATION DISTRICT SDC CHARGE ZONE 1 FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits:				
Licenses and permits	\$ 1,000	\$ 1,000	\$ 191	\$ (809)
Total licenses and permits	1,000	1,000	191	(809)
Miscellaneous:				
Interest	-	-	6	6
Total miscellaneous	-	-	6	6
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>1,000</b>	<b>197</b>	<b>(803)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,000</b>	<b>1,000</b>	<b>197</b>	<b>(803)</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(4,626)	(4,626)	(3,762)	864
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,626)</b>	<b>(4,626)</b>	<b>(3,762)</b>	<b>864</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,626)</b>	<b>(3,626)</b>	<b>(3,565)</b>	<b>61</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>3,626</b>	<b>3,626</b>	<b>3,565</b>	<b>(61)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CLACKAMAS COUNTY, OREGON  
 NORTH CLACKAMAS PARKS AND RECREATION DISTRICT SDC CHARGE ZONE 2 FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits:				
Licenses and permits	\$ 55,000	\$ 55,000	\$ 264,569	\$ 209,569
Total licenses and permits	55,000	55,000	264,569	209,569
Miscellaneous:				
Interest	600	600	1,019	419
Total miscellaneous	600	600	1,019	419
<b>TOTAL REVENUES</b>	<b>55,600</b>	<b>55,600</b>	<b>265,588</b>	<b>209,988</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>55,600</b>	<b>55,600</b>	<b>265,588</b>	<b>209,988</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(77,014)	(77,014)	(77,014)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(77,014)</b>	<b>(77,014)</b>	<b>(77,014)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(21,414)</b>	<b>(21,414)</b>	<b>188,574</b>	<b>209,988</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>21,414</b>	<b>21,414</b>	<b>252,722</b>	<b>231,308</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 441,296</b>	<b>\$ 441,296</b>

CLACKAMAS COUNTY, OREGON  
 NORTH CLACKAMAS PARKS AND RECREATION DISTRICT SDC CHARGE ZONE 3 FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits:				
Licenses and permits	\$ 200,000	\$ 200,000	\$ 400,233	\$ 200,233
Total licenses and permits	200,000	200,000	400,233	200,233
Miscellaneous:				
Interest	100	100	521	421
Total miscellaneous	100	100	521	421
<b>TOTAL REVENUES</b>	<b>200,100</b>	<b>200,100</b>	<b>400,754</b>	<b>200,654</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>200,100</b>	<b>200,100</b>	<b>400,754</b>	<b>200,654</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(270,216)	(270,216)	(270,216)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(270,216)</b>	<b>(270,216)</b>	<b>(270,216)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(70,116)</b>	<b>(70,116)</b>	<b>130,538</b>	<b>200,654</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>70,116</b>	<b>70,116</b>	<b>148,752</b>	<b>78,636</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 279,290</b>	<b>\$ 279,290</b>

CLACKAMAS COUNTY, OREGON  
 CLACKAMAS COUNTY ENHANCED LAW ENFORCEMENT DISTRICT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes:				
Property taxes	\$ 5,104,997	\$ 5,104,997	\$ 5,120,963	\$ 15,966
Total property taxes	5,104,997	5,104,997	5,120,963	15,966
Miscellaneous:				
Interest	5,000	5,000	4,062	(938)
Total miscellaneous	5,000	5,000	4,062	(938)
<b>TOTAL REVENUES</b>	<b>5,109,997</b>	<b>5,109,997</b>	<b>5,125,025</b>	<b>15,028</b>
<b>EXPENDITURES:</b>				
Public protection:				
Materials and services	4,984,439	4,984,439	4,978,850	5,589
Debt Service				
Principle	75,000	75,000	75,000	-
Interest and fiscal charges	107,080	107,080	107,080	-
<b>TOTAL EXPENDITURES</b>	<b>5,166,519</b>	<b>5,166,519</b>	<b>5,160,930</b>	<b>5,589</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(56,522)</b>	<b>(56,522)</b>	<b>(35,905)</b>	<b>20,617</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(56,522)</b>	<b>(56,522)</b>	<b>(35,905)</b>	<b>20,617</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>56,522</b>	<b>56,522</b>	<b>132,887</b>	<b>76,364</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>96,982</b>	<b>\$ 96,981</b>

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	58,227
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>	<b>\$ 155,209</b>

**CLACKAMAS COUNTY, OREGON**  
**CLACKAMAS COUNTY EXTENSION AND 4-H SERVICE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes:				
Property taxes	\$ 1,714,300	\$ 1,714,300	\$ 1,703,846	\$ (10,454)
Total property taxes	1,714,300	1,714,300	1,703,846	(10,454)
Miscellaneous:				
Interest	-	-	6,689	6,689
Total miscellaneous	-	-	6,689	6,689
<b>TOTAL REVENUES</b>	<b>1,714,300</b>	<b>1,714,300</b>	<b>1,710,535</b>	<b>(3,765)</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Materials and services	1,138,618	1,138,618	891,242	247,376
Contingency	324,142	324,142	-	324,142
Reserve for future expenditures	1,000,000	1,000,000	-	1,000,000
<b>TOTAL EXPENDITURES</b>	<b>2,462,760</b>	<b>2,462,760</b>	<b>891,242</b>	<b>1,571,518</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(748,460)</b>	<b>(748,460)</b>	<b>819,293</b>	<b>1,567,753</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(748,460)</b>	<b>(748,460)</b>	<b>819,293</b>	<b>1,567,753</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>748,460</b>	<b>748,460</b>	<b>866,538</b>	<b>118,078</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,685,831</b>	<b>\$ 1,685,831</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			15,234	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<b>\$ 1,701,065</b>	

**CLACKAMAS COUNTY, OREGON**  
**LIBRARY DISTRICT OF CLACKAMAS COUNTY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes:				
Property taxes	\$ 12,741,095	\$ 12,741,095	\$ 12,862,930	\$ 121,835
Delinquent	737,513	737,513	268,316	(469,197)
Total property taxes	13,478,608	13,478,608	13,131,246	(347,362)
Miscellaneous:				
Interest	24,000	24,000	9,237	(14,763)
Total miscellaneous	24,000	24,000	9,237	(14,763)
<b>TOTAL REVENUES</b>	<b>13,502,608</b>	<b>13,502,608</b>	<b>13,140,483</b>	<b>(362,125)</b>
<b>EXPENDITURES:</b>				
Culture, education and recreation:				
Payments to other governments	10,784,765	10,784,765	10,490,036	294,729
Interagency transfers	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>10,784,765</b>	<b>10,784,765</b>	<b>10,490,036</b>	<b>294,729</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,717,843</b>	<b>2,717,843</b>	<b>2,650,447</b>	<b>(67,396)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(4,192)</b>	<b>(4,192)</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>70,177</b>	<b>70,177</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>65,985</b>	<b>\$ 65,985</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			117,106	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<b>\$ 183,091</b>	

(This page intentionally left blank)

#### NONMAJOR 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:

- Local Improvement District September 15, 2000 Issue Fund
- Public Service Building Debt Service Fund
- Development Services Building Debt Service Fund
- Public Safety Training Center Debt Service Fund
- Sheriff Facilities Debt Service Fund
- Clackamas County Development Agency:
  - Clackamas Town Center Tax Increment Fund
  - Clackamas Industrial Area Tax Increment Fund
  - Government Camp Tax Increment Fund
  - North Clackamas Revitalization Area Tax Increment Fund
- North Clackamas Parks and Recreation District:
  - Series 2010 Debt Service Fund
  - Series 2008 Debt Service Fund
- Estacada Area County Service District for Library Services Debt Service Fund

CLACKAMAS COUNTY, OREGON  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 JUNE 30, 2011

	Clackamas County Development Agency								North Clackamas Parks and Recreation District			Total
	Local Improvement District Series 15, 2000 Issue Fund	Public Service Building Debt Service Fund	Development Services Building Debt Service Fund	Public Safety Training Center Debt Service Fund	Sherrif Facilities Debt Service Fund	Clackamas Town Center Tax Increment Fund	Clackamas Industrial Area Tax Increment 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	Estacada Area County Service District for Library Services Debt Service Fund	
<b>ASSETS</b>												
Cash and Investments	\$ 310,708	\$ 3,638	\$ -	\$ 4,078	\$ 11,038	\$ 29,001,839	\$ 6,513,234	\$ 7,540,616	\$ 83,093	\$ 251	\$ 12,636	\$ 43,481,531
Taxes receivable	-	-	-	-	-	675,847	-	91,440	-	-	-	769,213
Assessment receivable	875,000	-	-	-	-	-	-	-	-	-	-	875,000
Due from other funds	-	-	44,514	-	-	-	-	-	-	-	-	44,514
Interfund loan receivable	-	-	-	-	-	-	100,150	-	-	-	-	100,150
	-	-	-	-	-	252,278	-	-	-	-	-	252,278
<b>TOTAL ASSETS</b>	\$ 1,185,708	\$ 3,638	\$ 44,514	\$ 4,078	\$ 11,038	\$ 29,978,686	\$ 6,865,662	\$ 7,632,056	\$ 83,093	\$ 251	\$ 14,062	\$ 45,313,186
<b>LIABILITIES AND FUND BALANCES</b>												
<b>Liabilities:</b>												
Book overdraft	\$ -	\$ -	\$ 25,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,551
Accounts payable	-	-	-	-	-	-	6,613,384	3,737,677	-	-	-	10,351,061
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Ratamaga payable	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	875,000	-	-	-	-	548,732	-	66,025	-	-	1,426	1,291,183
<b>TOTAL LIABILITIES</b>	875,000	-	25,551	-	-	548,732	6,613,384	3,803,702	-	-	1,426	11,867,795
<b>Fund Balances:</b>												
Nonspendable	-	-	-	-	-	-	252,278	-	-	-	-	252,278
Restricted	310,708	3,638	18,963	4,078	11,038	29,129,954	-	3,818,554	-	251	12,636	32,999,312
Assigned	-	-	-	-	-	-	-	-	83,093	-	-	83,093
<b>TOTAL FUND BALANCES</b>	310,708	3,638	18,963	4,078	11,038	29,129,954	252,278	3,818,554	83,093	251	12,636	33,645,351
	\$ 1,185,708	\$ 3,638	\$ 44,514	\$ 4,078	\$ 11,038	\$ 29,978,686	\$ 6,865,662	\$ 7,632,056	\$ 83,093	\$ 251	\$ 14,062	\$ 45,313,186

107

CLACKAMAS COUNTY, OREGON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Clackamas County Development Agency								North Clackamas Parks and Recreation District			Total
	Local Improvement District Series 15, 2000 Issue Fund	Public Service Building Debt Service Fund	Development Services Building Debt Service Fund	Public Safety Training Center Debt Service Fund	Sherrif Facilities Debt Service Fund	Clackamas Town Center Tax Increment Fund	Clackamas Industrial Area Tax Increment 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	Estacada Area County Service District for Library Services Debt Service Fund	
<b>REVENUES:</b>												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,087,972	\$ -	\$ 1,431,320	\$ -	\$ -	\$ 1,172	\$ 13,520,464
Special assessment collections	129,636	-	-	-	-	-	-	-	-	-	-	129,636
Interest	1,342	87	3,488	1,770	2,602	197,607	66,882	23,696	270	2	200	288,294
Charges for services	-	916,639	1,535,710	-	-	-	-	-	-	-	-	2,452,349
Miscellaneous	-	-	-	-	-	-	-	7,706	-	-	-	7,706
<b>TOTAL REVENUES</b>	130,978	917,566	1,539,205	1,770	2,602	12,285,579	66,882	1,465,022	270	2	1,372	16,408,748
<b>EXPENDITURES:</b>												
Public ways and facilities												
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Principle	-	230,000	1,960,000	205,000	1,285,000	5,999,810	-	-	255,000	300,000	-	10,209,610
Interest and fiscal charges	91,000	688,940	1,981,091	169,740	1,233,650	859,842	-	30,802	196,828	260,563	-	5,459,544
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	30,803
<b>TOTAL EXPENDITURES</b>	91,000	918,940	3,771,091	374,740	2,638,650	6,859,652	-	30,802	491,828	560,563	-	15,743,567
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	39,978	-	(2,231,876)	(373,470)	(2,035,948)	5,425,927	66,882	1,434,220	(491,558)	(559,561)	1,372	868,691
<b>OTHER FINANCING SOURCES (USES):</b>												
Issuance of debt	-	-	2,243,639	374,740	2,610,675	-	-	6,000,000	491,828	565,563	-	6,000,000
Transfers in	-	-	-	-	-	-	(6,613,255)	(3,710,625)	-	-	-	(6,286,445)
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(10,323,860)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	2,243,639	374,740	2,610,675	-	(6,613,255)	(3,268,375)	491,828	565,563	-	1,963,585
<b>NET CHANGE IN FUND BALANCE</b>	39,978	-	11,763	1,270	(25,273)	5,425,927	(6,546,373)	3,721,594	270	2	1,372	2,631,276
<b>FUND BALANCE, JUNE 30, 2010</b>	270,730	3,212	7,200	2,808	38,311	23,703,927	6,798,631	96,560	82,823	249	11,264	31,014,115
<b>FUND BALANCE, JUNE 30, 2011</b>	\$ 310,708	\$ 3,638	\$ 18,963	\$ 4,078	\$ 11,038	\$ 29,129,954	\$ 252,278	\$ 3,818,554	\$ 83,093	\$ 251	\$ 12,636	\$ 33,645,351

120

CLACKAMAS COUNTY, OREGON  
 LOCAL IMPROVEMENT DISTRICT SEPTEMBER 15, 2000 ISSUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ 6,000	\$ 6,000	\$ 1,342	\$ (4,658)
Special assessment collections	125,000	125,000	129,636	4,636
Total miscellaneous	131,000	131,000	130,978	(22)
<b>TOTAL REVENUES</b>	131,000	131,000	130,978	(22)
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Debt Service				
Interest and fiscal charges	400,731	400,731	91,000	309,731
<b>TOTAL EXPENDITURES</b>	400,731	400,731	91,000	309,731
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(269,731)	(269,731)	39,978	309,709
<b>NET CHANGE IN FUND BALANCE</b>	(269,731)	(269,731)	39,978	309,709
<b>FUND BALANCE, JUNE 30, 2010</b>	269,731	269,731	270,730	999
<b>FUND BALANCE, JUNE 30, 2011</b>	\$ -	\$ -	\$ 310,708	\$ 310,708

CLACKAMAS COUNTY, OREGON  
 PUBLIC SERVICE BUILDING DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Charges for services	\$ 916,940	\$ 916,940	\$ 916,939	\$ (1)
Total charges for services	916,940	916,940	916,939	(1)
Miscellaneous:				
Interest	500	500	627	127
Total miscellaneous	500	500	627	127
<b>TOTAL REVENUES</b>	917,440	917,440	917,566	126
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Debt Service				
Principle	230,000	230,000	230,000	-
Interest and fiscal charges	686,940	686,940	686,940	-
Contingency	2,914	2,914	-	2,914
<b>TOTAL EXPENDITURES</b>	919,854	919,854	916,940	2,914
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(2,414)	(2,414)	626	3,040
<b>NET CHANGE IN FUND BALANCE</b>	(2,414)	(2,414)	626	3,040
<b>FUND BALANCE, JUNE 30, 2010</b>	2,414	2,414	3,212	798
<b>FUND BALANCE, JUNE 30, 2011</b>	\$ -	\$ -	\$ 3,838	\$ 3,838

CLACKAMAS COUNTY, OREGON  
DEVELOPMENT SERVICES BUILDING DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Charges for services	\$ 1,525,442	\$ 1,525,442	\$ 1,535,719	\$ 10,277
Total charges for services	1,525,442	1,525,442	1,535,719	10,277
Miscellaneous:				
Interest	10,000	10,000	3,486	(6,514)
Total miscellaneous	10,000	10,000	3,486	(6,514)
<b>TOTAL REVENUES</b>	<b>1,535,442</b>	<b>1,535,442</b>	<b>1,539,205</b>	<b>3,763</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Debt Service				
Principle	1,890,000	1,890,000	1,890,000	-
Interest and fiscal charges	1,881,081	1,881,081	1,881,081	-
Contingency	11,151	11,151	-	11,151
<b>TOTAL EXPENDITURES</b>	<b>3,782,232</b>	<b>3,782,232</b>	<b>3,771,081</b>	<b>11,151</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,246,790)</b>	<b>(2,246,790)</b>	<b>(2,231,876)</b>	<b>14,914</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	2,243,639	2,243,639	2,243,639	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,243,639</b>	<b>2,243,639</b>	<b>2,243,639</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,151)</b>	<b>(3,151)</b>	<b>11,763</b>	<b>14,914</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>3,151</b>	<b>3,151</b>	<b>7,200</b>	<b>4,049</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,963</b>	<b>\$ 18,963</b>

CLACKAMAS COUNTY, OREGON  
PUBLIC SAFETY TRAINING CENTER DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ 5,000	\$ 5,000	\$ 1,270	\$ (3,730)
Total miscellaneous	5,000	5,000	1,270	(3,730)
<b>TOTAL REVENUES</b>	<b>5,000</b>	<b>5,000</b>	<b>1,270</b>	<b>(3,730)</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Debt Service				
Principle	205,000	205,000	205,000	-
Interest and fiscal charges	169,740	169,740	169,740	-
Contingency	8,191	8,191	-	8,191
<b>TOTAL EXPENDITURES</b>	<b>382,931</b>	<b>382,931</b>	<b>374,740</b>	<b>8,191</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(377,931)</b>	<b>(377,931)</b>	<b>(373,470)</b>	<b>4,461</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	374,740	374,740	374,740	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>374,740</b>	<b>374,740</b>	<b>374,740</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,191)</b>	<b>(3,191)</b>	<b>1,270</b>	<b>4,461</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>3,191</b>	<b>3,191</b>	<b>2,808</b>	<b>2,808</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,078</b>	<b>\$ 7,269</b>

**CLACKAMAS COUNTY, OREGON**  
**SHERIFF FACILITIES DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ 1,000	\$ 1,000	\$ 2,602	\$ 1,602
Total miscellaneous	1,000	1,000	2,602	1,602
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>1,000</b>	<b>2,602</b>	<b>1,602</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Debt Service				
Principle	1,285,000	1,285,000	1,285,000	-
Interest and fiscal charges	1,353,550	1,353,550	1,353,550	-
Contingency	5,000	5,000	-	5,000
<b>TOTAL EXPENDITURES</b>	<b>2,643,550</b>	<b>2,643,550</b>	<b>2,638,550</b>	<b>5,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,642,550)</b>	<b>(2,642,550)</b>	<b>(2,635,948)</b>	<b>6,602</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	2,610,675	2,610,675	2,610,675	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,610,675</b>	<b>2,610,675</b>	<b>2,610,675</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(31,875)</b>	<b>(31,875)</b>	<b>(25,273)</b>	<b>6,602</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>31,875</b>	<b>31,875</b>	<b>36,311</b>	<b>4,436</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,038</b>	<b>\$ 11,038</b>

**CLACKAMAS COUNTY, OREGON**  
**CLACKAMAS TOWN CENTER TAX INCREMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes:				
Property taxes	\$ 10,348,456	\$ 10,348,456	\$ 12,087,613	\$ 1,739,157
Miscellaneous:				
Interest	250,000	250,000	194,439	(55,561)
<b>TOTAL REVENUES</b>	<b>10,598,456</b>	<b>10,598,456</b>	<b>12,282,052</b>	<b>1,683,596</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Debt Service				
Principle	5,999,610	5,999,610	5,999,610	-
Interest and fiscal charges	856,774	856,774	856,774	-
Contingency	4,000,000	4,000,000	-	4,000,000
Reserve for future expenditures	19,712,933	19,712,933	-	19,712,933
<b>TOTAL EXPENDITURES</b>	<b>30,569,317</b>	<b>30,569,317</b>	<b>6,856,384</b>	<b>23,712,933</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(19,970,861)</b>	<b>(19,970,861)</b>	<b>5,425,668</b>	<b>25,396,529</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(1,000,000)	(1,000,000)	-	1,000,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>-</b>	<b>1,000,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(20,970,861)</b>	<b>(20,970,861)</b>	<b>5,425,668</b>	<b>25,396,529</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>20,970,861</b>	<b>20,970,861</b>	<b>23,576,171</b>	<b>2,605,310</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>29,001,839</b>	<b>\$ 29,001,839</b>

**ADJUSTEMENT 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

128,115

**FUND BALANCE - US GAAP BASIS, June 30, 2011**

**\$ 29,129,954**

**CLACKAMAS COUNTY, OREGON**  
**CLACKAMAS INDUSTRIAL AREA TAX INCREMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ 80,000	\$ 80,000	\$ 49,851	\$ (30,149)
<b>OTHER FINANCING SOURCES:</b>				
Transfers in*	100,000	100,000	100,000	-
Transfers out	(6,679,908)	(6,679,908)	(6,613,235)	66,673
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(6,579,908)</u>	<u>(6,579,908)</u>	<u>(6,513,235)</u>	<u>66,673</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(6,499,908)</u>	<u>(6,499,908)</u>	<u>(6,463,384)</u>	<u>36,524</u>
<b>FUND BALANCE, JUNE 30, 2010</b>	<u>6,499,908</u>	<u>6,499,908</u>	<u>6,463,384</u>	<u>(36,524)</u>
<b>FUND BALANCE, JUNE 30, 2011</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			252,278	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<u>\$ 252,278</u>	

\*Includes repayment of interfund loan in the amount of \$82,969 in principal and \$17,031 in interest.

**CLACKAMAS COUNTY, OREGON**  
**NORTH CLACKAMAS REVITALIZATION TAX INCREMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 946,771	\$ 946,771	\$ 1,425,088	\$ 478,317
Interest	2,000	2,000	23,996	21,996
Other	-	-	7,706	7,706
<b>TOTAL REVENUES</b>	<u>948,771</u>	<u>948,771</u>	<u>1,456,790</u>	<u>508,019</u>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Debt Service				
Principle	750,000	750,000	-	750,000
Bond miscellaneous charges	645,000	645,000	30,803	614,197
Contingency	635,000	635,000	-	635,000
Reserve for future expenditures	336,928	336,928	-	336,928
<b>TOTAL EXPENDITURES</b>	<u>2,366,928</u>	<u>2,366,928</u>	<u>30,803</u>	<u>2,336,125</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,418,157)</u>	<u>(1,418,157)</u>	<u>1,425,987</u>	<u>2,844,144</u>
<b>OTHER FINANCING SOURCES:</b>				
Issuance of debt	5,000,000	5,000,000	6,000,000	1,000,000
Transfers out	(3,710,625)	(3,710,625)	(3,710,625)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,289,375</u>	<u>1,289,375</u>	<u>2,289,375</u>	<u>1,000,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(128,782)</u>	<u>(128,782)</u>	<u>3,715,362</u>	<u>3,844,144</u>
<b>FUND BALANCE, JUNE 30, 2010</b>	<u>128,782</u>	<u>128,782</u>	<u>87,777</u>	<u>(41,005)</u>
<b>FUND BALANCE, JUNE 30, 2011</b>	<u>\$ -</u>	<u>\$ -</u>	<u>3,803,139</u>	<u>\$ 3,803,139</u>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Property taxes susceptible to accrual, recognized as revenue on the US GAAP basis			15,415	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<u>\$ 3,818,554</u>	

CLACKAMAS COUNTY, OREGON  
 NORTH CLACKAMAS PARKS AND RECREATION DISTRICT SERIES 2010 DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ -	\$ -	\$ 270	\$ 270
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Debt Service				
Principle	295,000	295,000	295,000	-
Interest and fiscal charges	196,828	196,828	196,828	-
Reserve for future expenditures	97,072	97,072	-	97,072
<b>TOTAL EXPENDITURES</b>	<b>588,900</b>	<b>588,900</b>	<b>491,828</b>	<b>97,072</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(588,900)</b>	<b>(588,900)</b>	<b>(491,558)</b>	<b>97,342</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	500,000	500,000	491,828	(8,172)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>500,000</b>	<b>500,000</b>	<b>491,828</b>	<b>(8,172)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(88,900)</b>	<b>(88,900)</b>	<b>270</b>	<b>89,170</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>88,900</b>	<b>88,900</b>	<b>82,823</b>	<b>(6,078)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 83,093</b>	<b>\$ 83,092</b>

CLACKAMAS COUNTY, OREGON  
 NORTH CLACKAMAS PARKS AND RECREATION DISTRICT SERIES 2008 DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ 300	\$ 300	\$ 2	\$ (298)
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Debt Service				
Principle	305,000	305,000	305,000	-
Interest and fiscal charges	260,563	260,563	260,563	-
Reserve for future expenditures	141,544	141,544	-	141,544
<b>TOTAL EXPENDITURES</b>	<b>707,107</b>	<b>707,107</b>	<b>565,563</b>	<b>141,544</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(706,807)</b>	<b>(706,807)</b>	<b>(565,561)</b>	<b>141,246</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	566,000	566,000	565,563	(437)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>566,000</b>	<b>566,000</b>	<b>565,563</b>	<b>(437)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(140,807)</b>	<b>(140,807)</b>	<b>2</b>	<b>140,809</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>140,807</b>	<b>140,807</b>	<b>249</b>	<b>(140,557)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 251</b>	<b>\$ 252</b>

**CLACKAMAS COUNTY, OREGON**  
**ESTACADA AREA COUNTY SERVICE DISTRICT FOR LIBRARY SERVICES DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes:				
Property taxes	\$ 1,500	\$ 1,500	\$ 1,725	\$ 225
Total property taxes	1,500	1,500	1,725	225
Miscellaneous:				
Interest	100	100	200	100
Total miscellaneous	100	100	200	100
<b>TOTAL REVENUES</b>	<b>1,600</b>	<b>1,600</b>	<b>1,925</b>	<b>325</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Contingency	11,963	11,963	-	11,963
<b>TOTAL EXPENDITURES</b>	<b>11,963</b>	<b>11,963</b>	<b>-</b>	<b>11,963</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(10,363)</b>	<b>(10,363)</b>	<b>1,925</b>	<b>12,288</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(10,363)</b>	<b>(10,363)</b>	<b>1,925</b>	<b>12,288</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>10,363</b>	<b>10,363</b>	<b>10,711</b>	<b>349</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,636</b>	<b>\$ 12,637</b>

**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
- Local Improvement District Capital Projects Fund
- Clackamas Broadband Innovation Initiative Fund
- Fleet Replacement Reserve Fund
- Clackamas County Development Agency:
  - Clackamas Town Center Development Area Fund
  - Clackamas Industrial Development Area Fund
  - Government Camp Development Area Fund
  - North Clackamas Revitalization Area Fund
- North Clackamas Parks and Recreation District:
  - Capital Projects Fund
  - Capital Asset Reserve Fund

**CLACKAMAS COUNTY, OREGON  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2011**

	Clackamas County Development Agency						North Clackamas Parks and Recreation District		Total	
	Capital Projects Reserve Fund	Local Improvement Districts Capital Projects Fund	Clackamas Broadband Innovation Initiative Fund	Clackamas Town Center Development Area Fund	Clackamas Industrial Development Area Fund	Government Camp Development Area Fund	North Clackamas Revitalization Area Fund	Capital Projects Fund		Capital Asset Replacement Fund
<b>ASSETS</b>										
Cash and Investments	\$ 14,527,561	\$ 519,706	\$ 96,536	\$ 14,352,048	\$ 446,937	\$ 2,042,002	\$ -	\$ 385,980	\$ 572,292	\$ 32,921,070
Accounts receivable	-	-	-	50,600	6,625	-	-	-	-	57,225
Assessment receivable	-	21,117	-	-	-	-	-	-	-	21,117
Grants receivable	111,020	-	676,732	-	-	-	-	-	-	887,752
Due from other funds	-	-	-	123,216	6,613,384	-	3,710,625	9,988	-	10,457,213
Land held for resale	-	-	-	4,855,337	3,447,806	-	-	-	-	7,953,143
Contracts receivable	-	-	-	-	-	-	129,059	-	-	129,059
<b>TOTAL ASSETS</b>	<b>\$ 14,618,581</b>	<b>\$ 540,823</b>	<b>\$ 973,268</b>	<b>\$ 19,031,207</b>	<b>\$ 10,514,752</b>	<b>\$ 2,042,002</b>	<b>\$ 3,638,724</b>	<b>\$ 395,978</b>	<b>\$ 572,292</b>	<b>\$ 52,625,625</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Book overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,385,674	\$ -	\$ -	\$ 2,385,674
Accounts payable	3,165,019	-	379,019	76,331	302,387	1,271	18,966	-	-	3,962,993
Due to other funds	8,903	-	3,355	977,352	101,239	28,850	282,887	1,995	-	1,405,271
Accrued payroll	-	-	6,883	-	-	-	-	-	-	6,883
Deposits	-	-	-	7,500	20,192	-	-	-	-	27,692
Deferred revenues	-	21,118	37,049	-	-	-	128,099	-	-	186,266
Interfund claims payable	-	-	-	-	-	-	252,278	-	-	252,278
<b>TOTAL LIABILITIES</b>	<b>3,184,012</b>	<b>21,118</b>	<b>426,906</b>	<b>1,061,183</b>	<b>423,618</b>	<b>30,121</b>	<b>3,088,104</b>	<b>1,995</b>	<b>-</b>	<b>8,229,257</b>
<b>Fund balances:</b>										
Nonspendable	-	-	-	4,505,337	3,447,806	-	-	-	-	7,953,143
Restricted	7,783,236	-	544,362	13,484,667	6,643,128	-	770,620	393,981	572,292	28,829,394
Assigned	3,641,333	519,705	-	-	-	2,009,881	-	-	-	7,611,831
<b>TOTAL FUND BALANCES</b>	<b>11,424,569</b>	<b>519,705</b>	<b>544,362</b>	<b>17,970,024</b>	<b>10,090,934</b>	<b>2,009,881</b>	<b>770,620</b>	<b>393,981</b>	<b>572,292</b>	<b>44,296,308</b>
	<b>\$ 14,618,581</b>	<b>\$ 540,823</b>	<b>\$ 973,268</b>	<b>\$ 19,031,207</b>	<b>\$ 10,514,752</b>	<b>\$ 2,042,002</b>	<b>\$ 3,638,724</b>	<b>\$ 395,978</b>	<b>\$ 572,292</b>	<b>\$ 52,625,625</b>

170

**CLACKAMAS COUNTY, OREGON  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Clackamas County Development Agency						North Clackamas Parks and Recreation District		Total	
	Capital Projects Reserve Fund	Local Improvement Districts Capital Projects Fund	Clackamas Broadband Innovation Initiative Fund	Clackamas Town Center Development Area Fund	Clackamas Industrial Development Area Fund	Government Camp Development Area Fund	North Clackamas Revitalization Area Fund	Capital Projects Fund		Capital Asset Replacement Fund
<b>REVENUES:</b>										
Intergovernmental	\$ 1,185,561	\$ -	\$ 1,748,593	\$ 71,779	\$ 54,542	\$ -	\$ -	\$ 336,478	\$ -	\$ 3,396,953
Special assessment collections	-	3,074	-	-	-	-	-	-	-	3,074
Charges for services	1,768	-	95,395	-	-	-	-	-	-	97,163
Interest	135,205	2,683	482	96,332	10,027	15,724	-	1,435	1,362	253,250
Miscellaneous	-	-	-	627,870	297,249	6,507	-	5,710	-	936,527
<b>TOTAL REVENUES</b>	<b>1,322,534</b>	<b>5,757</b>	<b>1,844,470</b>	<b>785,181</b>	<b>361,809</b>	<b>22,231</b>	<b>-</b>	<b>343,623</b>	<b>1,362</b>	<b>4,686,967</b>
<b>EXPENDITURES:</b>										
Public ways and facilities										
Personal services	-	-	96,973	-	-	-	-	-	-	96,973
Materials and services	1,122,529	223	3,661	2,825,907	296,929	137,554	345,406	-	-	4,736,499
Debt Service	-	-	-	-	-	-	-	-	-	-
Principle	363,846	-	-	-	-	-	-	-	-	363,846
Interest and fiscal charges	18,447	-	-	-	-	-	17,034	-	-	35,478
Capital outlay	16,114,446	-	1,843,986	2,921,234	7,808,709	806,660	3,200,870	684,796	50,836	23,231,739
<b>TOTAL EXPENDITURES</b>	<b>17,619,258</b>	<b>223</b>	<b>1,934,922</b>	<b>5,751,141</b>	<b>7,805,638</b>	<b>944,444</b>	<b>3,563,307</b>	<b>684,796</b>	<b>50,836</b>	<b>38,454,475</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(16,296,724)</b>	<b>5,534</b>	<b>(90,352)</b>	<b>(4,965,960)</b>	<b>(7,543,829)</b>	<b>(922,213)</b>	<b>(3,563,307)</b>	<b>(341,173)</b>	<b>(49,474)</b>	<b>(33,767,508)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers in	4,366,967	-	634,714	-	6,613,235	-	3,710,625	350,992	300,000	15,976,533
Transfers out	-	-	-	(152,742)	-	-	-	(211,563)	-	(364,305)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,366,967</b>	<b>-</b>	<b>634,714</b>	<b>(152,742)</b>	<b>6,613,235</b>	<b>-</b>	<b>3,710,625</b>	<b>139,429</b>	<b>300,000</b>	<b>15,612,228</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(11,929,757)</b>	<b>5,534</b>	<b>544,362</b>	<b>(5,118,702)</b>	<b>(930,594)</b>	<b>(922,213)</b>	<b>147,318</b>	<b>(201,744)</b>	<b>250,526</b>	<b>(16,155,280)</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>23,354,336</b>	<b>514,171</b>	<b>-</b>	<b>23,088,726</b>	<b>11,021,528</b>	<b>2,932,094</b>	<b>623,302</b>	<b>595,725</b>	<b>321,766</b>	<b>62,451,848</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ 11,424,569</b>	<b>\$ 519,705</b>	<b>\$ 544,362</b>	<b>\$ 17,970,024</b>	<b>\$ 10,090,934</b>	<b>\$ 2,009,881</b>	<b>\$ 770,620</b>	<b>\$ 393,981</b>	<b>\$ 572,292</b>	<b>\$ 44,296,308</b>

146

**CLACKAMAS COUNTY, OREGON  
DTD CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental				
Federal	\$ 3,052,257	\$ 3,052,257	\$ 1,757,277	\$ (1,294,980)
State	4,287,164	4,287,164	1,768,366	(2,518,798)
Local	-	74,813	283,678	208,765
Total intergovernmental	7,339,421	7,414,234	3,809,221	(3,605,013)
Charges for services				
Charges for services	150,000	150,000	-	(150,000)
Licenses and permits				
Licenses and permits	-	-	130,187	130,187
Miscellaneous				
Miscellaneous	-	-	1,102	1,102
<b>TOTAL REVENUES</b>	<b>7,489,421</b>	<b>7,564,234</b>	<b>3,940,510</b>	<b>(3,623,724)</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Capital outlay	11,488,787	13,688,600	7,031,951	6,656,649
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,999,366)</b>	<b>(6,124,366)</b>	<b>(3,091,441)</b>	<b>3,032,925</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	200,000	200,000	422,258	222,258
Transfers in	3,799,366	5,924,366	2,736,782	(3,187,584)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,999,366</b>	<b>6,124,366</b>	<b>3,159,040</b>	<b>(2,965,326)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>67,599</b>	<b>67,599</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>74,813</b>	<b>74,813</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>142,412</b>	<b>\$ 142,412</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Land held for resale reclassified as an asset on the US GAAP basis			2,660,000	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<b>\$ 2,802,412</b>	

**CLACKAMAS COUNTY, OREGON  
CAPITAL PROJECTS RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 2,626,384	\$ 2,626,384	\$ 1,169,443	\$ (1,456,941)
Local	-	-	16,118	16,118
Total intergovernmental	2,626,384	2,626,384	1,185,561	(1,440,823)
Charges for services:				
Charges for services	2,186,000	2,186,000	1,768	(2,184,232)
Total charges for services	2,186,000	2,186,000	1,768	(2,184,232)
Miscellaneous:				
Miscellaneous	65,000	65,000	-	(65,000)
Interest	150,000	150,000	135,205	(14,795)
Total miscellaneous	215,000	215,000	135,205	(79,795)
<b>TOTAL REVENUES</b>	<b>5,027,384</b>	<b>5,027,384</b>	<b>1,322,534</b>	<b>(3,704,850)</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Materials and services	714,025	2,014,025	1,122,529	891,496
Capital outlay	27,916,774	26,616,774	16,114,446	10,502,328
Debt Service:				
Principle	363,847	363,847	363,846	1
Interest and fiscal charges	18,447	18,447	18,447	-
Contingency	550,000	550,000	-	550,000
Reserve for future expenditures	4,000,000	4,000,000	-	4,000,000
<b>TOTAL EXPENDITURES</b>	<b>33,563,093</b>	<b>33,563,093</b>	<b>17,619,268</b>	<b>15,943,825</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(28,535,709)</b>	<b>(28,535,709)</b>	<b>(16,296,734)</b>	<b>12,238,975</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	4,366,967	4,366,967	4,366,967	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,366,967</b>	<b>4,366,967</b>	<b>4,366,967</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(24,168,742)</b>	<b>(24,168,742)</b>	<b>(11,929,767)</b>	<b>12,238,975</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>24,168,742</b>	<b>24,168,742</b>	<b>23,354,336</b>	<b>(814,406)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,424,569</b>	<b>\$ 11,424,569</b>

CLACKAMAS COUNTY, OREGON  
 LOCAL IMPROVEMENT DISTRICTS CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ 10,000	\$ 10,000	\$ 2,683	\$ (7,317)
Assessment principal	3,000	3,000	2,762	(238)
Assessment interest	500	500	312	(188)
<b>TOTAL REVENUES</b>	<b>13,500</b>	<b>13,500</b>	<b>5,757</b>	<b>(7,743)</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Materials and services	225,000	225,000	223	224,777
Contingency	308,058	308,058	-	308,058
<b>TOTAL EXPENDITURES</b>	<b>533,058</b>	<b>533,058</b>	<b>223</b>	<b>532,835</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(519,558)</b>	<b>(519,558)</b>	<b>5,534</b>	<b>525,092</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(519,558)</b>	<b>(519,558)</b>	<b>5,534</b>	<b>525,092</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>519,558</b>	<b>519,558</b>	<b>514,171</b>	<b>(5,387)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 519,705</b>	<b>\$ 519,705</b>

CLACKAMAS COUNTY, OREGON  
 CLACKAMAS BROADBAND INNOVATION INITIATIVE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ -	\$ 3,080,000	\$ 1,748,593	\$ (1,331,407)
Charges for services:				
Charges for services	-	81,797	95,395	13,598
Miscellaneous:				
Interest	-	-	482	482
<b>TOTAL REVENUES</b>	<b>-</b>	<b>3,361,797</b>	<b>1,844,470</b>	<b>(1,517,327)</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Personal services	-	114,714	86,973	27,741
Materials and services	-	1,031,797	3,861	1,027,936
Capital outlay	-	2,850,000	1,843,988	1,006,012
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>3,996,511</b>	<b>1,934,822</b>	<b>2,061,689</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>(634,714)</b>	<b>(90,352)</b>	<b>544,362</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	634,714	634,714	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>544,362</b>	<b>544,362</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 544,362</b>	<b>\$ 544,362</b>

**CLACKAMAS COUNTY, OREGON  
FLEET REPLACEMENT RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ -	\$ -	\$ 375	\$ 375
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Reserve for future expenditures	180,000	180,000	-	180,000
<b>TOTAL EXPENDITURES</b>	<b>180,000</b>	<b>180,000</b>	<b>-</b>	<b>180,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(180,000)</b>	<b>(180,000)</b>	<b>375</b>	<b>180,375</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	120,000	120,000	120,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>120,375</b>	<b>180,375</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>60,000</b>	<b>60,000</b>	<b>60,149</b>	<b>149</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 180,524</b>	<b>\$ 180,524</b>

**CLACKAMAS COUNTY, OREGON  
CLACKAMAS TOWN CENTER DEVELOPMENT AREA FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 150,000	\$ 150,000	\$ 71,779	\$ (78,221)
Miscellaneous	625,000	625,000	627,070	2,070
Interest	225,000	225,000	86,332	(138,668)
<b>TOTAL REVENUES</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>785,181</b>	<b>(214,819)</b>
<b>EXPENDITURES:</b>				
Highways and streets:				
Materials and services	2,382,175	2,382,175	1,278,162	1,104,013
Capital outlay	12,068,000	12,068,000	2,921,234	9,146,766
Contingency	2,635,095	2,635,095	-	2,635,095
Reserve for future expenditures	1,000,000	1,000,000	-	1,000,000
<b>TOTAL EXPENDITURES</b>	<b>18,085,270</b>	<b>18,085,270</b>	<b>4,199,396</b>	<b>13,885,874</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(17,085,270)</b>	<b>(17,085,270)</b>	<b>(3,414,215)</b>	<b>13,671,055</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	1,000,000	1,000,000	-	(1,000,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>-</b>	<b>(1,000,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(16,085,270)</b>	<b>(16,085,270)</b>	<b>(3,414,215)</b>	<b>12,671,055</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>16,085,270</b>	<b>16,085,270</b>	<b>16,878,902</b>	<b>793,632</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,464,687</b>	<b>\$ 13,464,687</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Land held for resale			4,505,337	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<b>\$ 17,970,024</b>	

CLACKAMAS COUNTY, OREGON  
CLACKAMAS INDUSTRIAL DEVELOPMENT AREA FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 200,000	\$ 200,000	\$ 54,542	\$ (145,458)
Total Intergovernmental	200,000	200,000	54,542	(145,458)
Miscellaneous:				
Miscellaneous	246,120	246,120	297,240	51,120
Interest	25,000	25,000	10,027	(14,973)
Total miscellaneous	271,120	271,120	307,267	36,147
<b>TOTAL REVENUES</b>	<b>471,120</b>	<b>471,120</b>	<b>361,809</b>	<b>(109,311)</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Materials and services	531,789	531,789	296,929	234,860
Capital outlay	8,272,185	8,272,185	4,895,491	3,376,694
Contingency	449,928	449,928	-	449,928
<b>TOTAL EXPENDITURES</b>	<b>9,253,902</b>	<b>9,253,902</b>	<b>5,192,420</b>	<b>4,061,482</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,782,782)</b>	<b>(8,782,782)</b>	<b>(4,830,611)</b>	<b>3,952,171</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	6,679,908	6,679,908	6,613,235	(66,673)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,102,874)</b>	<b>(2,102,874)</b>	<b>1,782,624</b>	<b>3,885,498</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>2,102,874</b>	<b>2,102,874</b>	<b>4,860,504</b>	<b>2,757,631</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,643,128</b>	<b>\$ 6,643,129</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Land held for resale			3,447,806	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<b>\$ 10,090,934</b>	

CLACKAMAS COUNTY, OREGON  
GOVERNMENT CAMP DEVELOPMENT AREA FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Miscellaneous	\$ 12	\$ 12	\$ 6,507	\$ 6,495
Interest	30,000	30,000	15,724	(14,276)
<b>TOTAL REVENUES</b>	<b>30,012</b>	<b>30,012</b>	<b>22,231</b>	<b>(7,781)</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Materials and services	243,252	243,252	137,584	105,668
Capital outlay	2,233,175	2,233,175	806,860	1,426,315
<b>TOTAL EXPENDITURES</b>	<b>2,476,427</b>	<b>2,476,427</b>	<b>944,444</b>	<b>1,531,983</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,446,415)</b>	<b>(2,446,415)</b>	<b>(922,213)</b>	<b>1,524,202</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,446,415)</b>	<b>(2,446,415)</b>	<b>(922,213)</b>	<b>1,524,202</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>2,446,415</b>	<b>2,446,415</b>	<b>2,932,094</b>	<b>485,679</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,009,881</b>	<b>\$ 2,009,881</b>

**CLACKAMAS COUNTY, OREGON**  
**NORTH CLACKAMAS REVITALIZATION AREA FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ 5,000	\$ 5,000	\$ (3,612)	\$ (8,612)
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Materials and services	243,262	243,262	341,794	(98,532)
Capital outlay	3,320,000	3,820,000	3,200,870	619,130
Contingency	500,000	-	-	-
Reserve for future expenditures	200,000	200,000	-	200,000
<b>TOTAL EXPENDITURES</b>	<b>4,263,262</b>	<b>4,263,262</b>	<b>3,542,664</b>	<b>720,598</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,258,262)</b>	<b>(4,258,262)</b>	<b>(3,546,276)</b>	<b>711,986</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	3,710,625	3,710,625	3,710,625	-
Transfers out	(100,000)	(100,000)	(100,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,610,625</b>	<b>3,610,625</b>	<b>3,610,625</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(647,637)</b>	<b>(647,637)</b>	<b>64,349</b>	<b>711,986</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>647,637</b>	<b>647,637</b>	<b>958,549</b>	<b>310,912</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,022,898</b>	<b>\$ 1,022,898</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Land held for resale			(252,278)	
<b>FUND BALANCE - US GAAP BASIS, June 30, 2011</b>			<b>\$ 770,620</b>	

**CLACKAMAS COUNTY, OREGON**  
**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT -**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 239,000	\$ 239,000	\$ 239,000	\$ -
Local	300,000	300,000	97,478	(202,522)
<b>Total intergovernmental</b>	<b>539,000</b>	<b>539,000</b>	<b>336,478</b>	<b>(202,522)</b>
Miscellaneous:				
Miscellaneous	30,000	30,000	5,710	(24,290)
Interest	-	-	1,435	1,435
<b>Total miscellaneous</b>	<b>30,000</b>	<b>30,000</b>	<b>7,145</b>	<b>(22,855)</b>
<b>TOTAL REVENUES</b>	<b>569,000</b>	<b>569,000</b>	<b>343,623</b>	<b>(225,377)</b>
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Capital outlay	750,000	883,000	684,796	198,204
Contingency	234,379	101,379	-	101,379
<b>TOTAL EXPENDITURES</b>	<b>984,379</b>	<b>984,379</b>	<b>684,796</b>	<b>299,583</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(415,379)</b>	<b>(415,379)</b>	<b>(341,173)</b>	<b>74,206</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	351,856	351,856	350,992	(864)
Transfers out	(212,000)	(212,000)	(211,563)	437
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>139,856</b>	<b>139,856</b>	<b>139,429</b>	<b>(427)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(275,523)</b>	<b>(275,523)</b>	<b>(201,744)</b>	<b>73,779</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>275,523</b>	<b>275,523</b>	<b>595,725</b>	<b>320,202</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 393,981</b>	<b>\$ 393,981</b>

CLACKAMAS COUNTY, OREGON  
 NORTH CLACKAMAS PARKS AND RECREATION DISTRICT -  
 CAPITAL ASSET REPLACEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Interest	\$ -	\$ -	\$ 1,362	\$ 1,362
<b>EXPENDITURES:</b>				
Public ways and facilities:				
Materials and services	25,000	25,000	-	25,000
Capital outlay	103,508	103,508	50,836	52,672
Contingency	474,022	474,022	-	474,022
<b>TOTAL EXPENDITURES</b>	<b>602,530</b>	<b>602,530</b>	<b>50,836</b>	<b>551,694</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(602,530)</b>	<b>(602,530)</b>	<b>(49,474)</b>	<b>553,056</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	300,000	300,000	300,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(302,530)</b>	<b>(302,530)</b>	<b>250,526</b>	<b>553,056</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>302,530</b>	<b>302,530</b>	<b>321,766</b>	<b>19,236</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 572,292</b>	<b>\$ 572,292</b>

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
  - 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 ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	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
<b>ASSETS</b>										
<b>Current assets:</b>										
Cash and investments	\$ 3,828,378	\$ 5,485,733	\$ 499,927	\$ 74,572	\$ 1,286,056	\$ 1,251,623	\$ 1,544,480	\$ 250,387	\$ 1,584,423	\$ 15,811,560
Accounts receivable	885	9,219	79,793	4,305	22,353	72,688	5,761	38,110	3,670	256,814
Grants receivable	-	-	-	-	-	-	1,903	-	-	1,903
Due from other funds	-	89,240	-	999	43,534	16,300	-	160,979	70,783	362,075
Other assets	-	134,820	3,633	-	1,048	-	-	-	4,652	144,210
<b>Total current assets</b>	<b>3,829,263</b>	<b>5,719,319</b>	<b>683,553</b>	<b>79,776</b>	<b>1,352,991</b>	<b>1,340,651</b>	<b>1,552,144</b>	<b>515,449</b>	<b>1,663,548</b>	<b>16,636,722</b>
<b>Noncurrent assets:</b>										
Capital assets:										
Capital assets not being depreciated	-	-	-	-	63,885	-	-	-	-	63,885
Depreciable capital assets, net of depreciation	-	33,461	132,552	16,478	259,539	1,066,820	428,392	2,806,166	1,653,336	6,396,554
Intangible assets, net of amortization	-	-	-	-	-	-	-	-	291,858	291,858
<b>Total noncurrent assets</b>	<b>-</b>	<b>33,461</b>	<b>132,552</b>	<b>16,478</b>	<b>323,424</b>	<b>1,066,820</b>	<b>428,392</b>	<b>2,806,166</b>	<b>1,945,194</b>	<b>6,732,297</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,829,263</b>	<b>\$ 5,752,779</b>	<b>\$ 716,105</b>	<b>\$ 96,254</b>	<b>\$ 1,676,415</b>	<b>\$ 2,407,501</b>	<b>\$ 1,980,536</b>	<b>\$ 3,320,615</b>	<b>\$ 3,608,743</b>	<b>\$ 23,369,019</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Current liabilities:</b>										
Accounts payable	\$ 86,417	\$ 739,976	\$ 72,889	\$ 4,248	\$ 270,358	\$ 55,917	\$ 33,680	\$ 253,759	\$ 324,847	\$ 1,739,112
Accrued payroll	-	-	23,315	34,919	162,017	47,445	299,753	54,230	333,316	944,955
Compensated absences current	-	-	28,919	8,918	77,072	45,657	153,221	85,144	256,764	655,595
Claims payable	232,473	4,011,068	-	-	-	-	-	-	-	4,243,541
Due to other funds	29,262	41	349	30	2,608	720	1,531	1,332	667	39,649
<b>Total current liabilities</b>	<b>357,292</b>	<b>4,762,086</b>	<b>75,472</b>	<b>38,015</b>	<b>512,418</b>	<b>149,739</b>	<b>487,167</b>	<b>394,524</b>	<b>880,564</b>	<b>7,669,292</b>
<b>Noncurrent liabilities:</b>										
Compensated absences noncurrent	-	-	3,948	1,204	10,515	6,232	20,914	11,620	35,047	89,494
Other postemployment benefits	-	-	34,935	39,950	222,364	70,470	428,533	85,135	499,939	1,391,348
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>38,883</b>	<b>41,157</b>	<b>242,883</b>	<b>76,702</b>	<b>449,467</b>	<b>96,755</b>	<b>534,986</b>	<b>1,480,833</b>
<b>TOTAL LIABILITIES</b>	<b>357,292</b>	<b>4,762,086</b>	<b>114,355</b>	<b>79,172</b>	<b>755,269</b>	<b>226,441</b>	<b>936,634</b>	<b>491,279</b>	<b>1,427,560</b>	<b>9,150,125</b>
<b>NET ASSETS</b>										
Investment in capital assets, net of related debt	-	33,461	132,562	16,478	323,424	1,066,820	428,392	2,806,166	1,945,194	6,732,297
Unrestricted	3,472,001	567,253	469,198	604	567,692	1,114,210	815,520	24,170	235,969	7,486,597
<b>TOTAL NET ASSETS</b>	<b>\$ 3,472,001</b>	<b>\$ 990,694</b>	<b>\$ 691,750</b>	<b>\$ 17,082</b>	<b>\$ 921,116</b>	<b>\$ 2,180,640</b>	<b>\$ 1,043,912</b>	<b>\$ 2,830,336</b>	<b>\$ 2,181,163</b>	<b>\$ 14,228,894</b>

181

**CLACKAMAS COUNTY, OREGON  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	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
<b>OPERATING REVENUES:</b>										
Intergovernmental	\$ -	\$ -	\$ 306,418	\$ -	\$ -	\$ -	\$ 1,082,908	\$ -	\$ 34,491	\$ 1,422,141
Charges for services	2,287,150	4,078,689	13,397	668,636	7,085,276	2,290,925	4,075,535	3,429,513	6,999,842	32,927,962
Contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,334,604	7,932	77	-	4,069	2,182	16,129	44,131	133,625	1,542,739
<b>TOTAL OPERATING REVENUES</b>	<b>3,621,754</b>	<b>4,086,620</b>	<b>319,892</b>	<b>668,636</b>	<b>7,137,661</b>	<b>2,293,107</b>	<b>5,174,573</b>	<b>3,473,644</b>	<b>9,168,958</b>	<b>35,942,842</b>
<b>OPERATING EXPENSES:</b>										
Claims	2,605,392	5,226,457	-	-	-	-	-	-	-	7,831,849
Labor and fringe benefits	-	-	376,190	430,219	2,502,149	758,839	4,614,762	916,750	5,383,481	14,982,370
OPEB expense	-	-	8,007	2,524	65,800	16,948	107,756	22,454	120,164	343,663
Supplies	-	-	435,367	269,436	4,693,404	1,451,889	807,021	2,911,684	2,993,050	15,561,851
Depreciation and amortization	-	9,300	33,877	12,454	41,574	78,892	74,963	876,457	388,655	1,506,462
<b>TOTAL OPERATING EXPENSES</b>	<b>2,605,392</b>	<b>5,245,737</b>	<b>842,241</b>	<b>714,633</b>	<b>7,303,377</b>	<b>2,306,668</b>	<b>5,603,622</b>	<b>4,729,345</b>	<b>6,881,320</b>	<b>30,236,165</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,016,362</b>	<b>(1,159,117)</b>	<b>(522,352)</b>	<b>(45,997)</b>	<b>(169,886)</b>	<b>(13,461)</b>	<b>(429,049)</b>	<b>(1,255,701)</b>	<b>281,828</b>	<b>(2,293,353)</b>
<b>NONOPERATING INCOME (EXPENSE):</b>										
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Interest income	10,376	27,215	2,289	-	-	4,277	6,643	-	8,385	59,165
<b>TOTAL NONOPERATING INCOME (EXPENSE)</b>	<b>10,376</b>	<b>27,215</b>	<b>2,289</b>	<b>-</b>	<b>-</b>	<b>4,277</b>	<b>6,643</b>	<b>-</b>	<b>8,385</b>	<b>59,165</b>
<b>INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)</b>	<b>1,026,738</b>	<b>(1,131,902)</b>	<b>(520,063)</b>	<b>(45,997)</b>	<b>(169,886)</b>	<b>(9,184)</b>	<b>(422,406)</b>	<b>(1,255,701)</b>	<b>290,013</b>	<b>(2,234,188)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers in	-	-	836,373	-	63,885	-	-	979,033	40,076	1,919,372
Transfers out	-	-	(200,000)	-	-	-	-	(188,990)	-	(388,990)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>636,373</b>	<b>-</b>	<b>63,885</b>	<b>-</b>	<b>-</b>	<b>790,043</b>	<b>40,076</b>	<b>1,530,412</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,026,738</b>	<b>(1,131,902)</b>	<b>116,290</b>	<b>(45,997)</b>	<b>(101,781)</b>	<b>(9,184)</b>	<b>(422,406)</b>	<b>(465,622)</b>	<b>330,089</b>	<b>(703,776)</b>
<b>NET ASSETS, JUNE 30, 2010</b>	<b>2,445,263</b>	<b>2,122,596</b>	<b>485,460</b>	<b>63,029</b>	<b>1,022,897</b>	<b>2,190,024</b>	<b>1,466,318</b>	<b>3,295,956</b>	<b>1,851,075</b>	<b>14,942,870</b>
<b>NET ASSETS, JUNE 30, 2011</b>	<b>\$ 3,472,001</b>	<b>\$ 990,694</b>	<b>\$ 691,750</b>	<b>\$ 17,082</b>	<b>\$ 921,116</b>	<b>\$ 2,180,640</b>	<b>\$ 1,043,912</b>	<b>\$ 2,830,336</b>	<b>\$ 2,181,163</b>	<b>\$ 14,228,894</b>

CLACKAMAS COUNTY, OREGON  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	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
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>										
Cash received for services	\$ 3,361,240	\$ 3,884,337	\$ 17,353	\$ 574,231	\$ 8,865,948	\$ 2,917,962	\$ 4,078,293	\$ 4,456,210	\$ 9,068,134	\$ 35,078,528
Cash paid for claims and legal fees	(2,612,789)	(4,895,214)	-	-	-	-	-	-	-	(7,207,999)
Cash paid to suppliers for goods and services	-	-	(435,307)	(269,436)	(4,693,404)	(1,451,896)	(807,021)	(2,911,684)	(2,963,000)	(13,361,831)
Cash paid to employees for services	(4,958)	-	(284,766)	(441,628)	(2,461,154)	(781,050)	(8,534,244)	(960,526)	(5,376,981)	(14,954,133)
Operating grant	-	-	280,850	-	48,220	-	1,082,826	-	34,491	1,446,448
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>743,507</b>	<b>(710,857)</b>	<b>(271,978)</b>	<b>(38,843)</b>	<b>(106,284)</b>	<b>284,623</b>	<b>(180,148)</b>	<b>583,987</b>	<b>762,694</b>	<b>818,793</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>										
Acquisition of capital assets	-	-	(43,573)	-	(84,878)	(17,216)	(161,890)	(863,966)	(1,060,507)	(2,032,110)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(43,573)</b>	<b>-</b>	<b>(84,878)</b>	<b>(17,216)</b>	<b>(161,890)</b>	<b>(863,966)</b>	<b>(1,060,507)</b>	<b>(2,032,110)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>										
Transfers from other funds	-	-	836,373	-	63,885	-	-	979,038	40,075	1,919,372
Transfers to other funds	-	-	(200,000)	-	-	-	-	(188,960)	-	(388,960)
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>636,373</b>	<b>-</b>	<b>63,885</b>	<b>-</b>	<b>-</b>	<b>790,078</b>	<b>40,075</b>	<b>1,530,412</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>										
Interest received on investments	10,378	27,215	2,269	-	-	4,277	8,843	-	8,285	59,165
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>10,378</b>	<b>27,215</b>	<b>2,269</b>	<b>-</b>	<b>-</b>	<b>4,277</b>	<b>8,843</b>	<b>-</b>	<b>8,285</b>	<b>59,165</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>753,873</b>	<b>(663,442)</b>	<b>73,091</b>	<b>(38,843)</b>	<b>(127,217)</b>	<b>271,684</b>	<b>(335,293)</b>	<b>716,082</b>	<b>(249,413)</b>	<b>378,260</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2010</b>	<b>3,074,463</b>	<b>6,169,375</b>	<b>426,886</b>	<b>111,415</b>	<b>1,413,333</b>	<b>979,939</b>	<b>1,879,683</b>	<b>(453,720)</b>	<b>1,833,836</b>	<b>13,435,200</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2011</b>	<b>3,828,336</b>	<b>5,485,733</b>	<b>499,977</b>	<b>74,572</b>	<b>1,286,056</b>	<b>1,251,623</b>	<b>1,544,490</b>	<b>256,360</b>	<b>1,584,423</b>	<b>15,813,460</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>										
Operating income (loss)	\$ 1,016,362	\$ (1,158,117)	\$ (322,332)	\$ (45,867)	\$ (158,666)	\$ (15,481)	\$ (439,049)	\$ (1,235,701)	\$ 261,028	\$ (2,292,553)
Adjustments to reconcile operating income (loss) to net cash from operating activities										
Depreciation and amortization	-	9,300	22,677	12,454	41,974	78,992	74,083	878,457	388,606	1,566,493
Changes in assets and liabilities										
Accounts receivable	-	(9,410)	(28,610)	879	2,944	(45,250)	8,872	(87,694)	(3,130)	(162,033)
Grants receivable	(717)	-	-	-	-	-	(83)	-	-	(800)
Due from other funds	220	73,313	18,320	13,498	(20,762)	271,435	-	1,092,826	(2,773)	1,446,167
Other assets	-	(13,899)	-	(8,878)	-	-	-	-	-	(23,677)
Accounts payable	2,669	(483,287)	(13,214)	(568)	(4,321)	(29,846)	10,626	(99,818)	(61,924)	(289,889)
Accrued payroll	(4,858)	-	4,216	(3,662)	43,721	7,434	79,797	9,822	43,160	169,880
Compressed air/boilers	-	-	919	(7,259)	(2,365)	203	(699)	47,207	25,354	37,604
Claims payable	(11,062)	(155,436)	-	-	-	-	-	-	-	(166,498)
OPEB liability	-	-	3,607	2,524	69,803	16,948	107,756	22,458	120,184	343,653
Due to other funds	(260,011)	(232,651)	(14,641)	(13,628)	(91,689)	(11,751)	(20,644)	(22,560)	(24,892)	(703,786)
Total adjustments	(277,265)	448,260	374	9,154	59,282	298,084	248,903	1,839,688	(83,060)	3,119,146
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 743,507</b>	<b>\$ (710,857)</b>	<b>\$ (271,978)</b>	<b>\$ (38,843)</b>	<b>\$ (106,284)</b>	<b>\$ 284,623</b>	<b>\$ (180,148)</b>	<b>\$ 583,987</b>	<b>\$ 762,694</b>	<b>\$ 818,793</b>

**CLACKAMAS COUNTY, OREGON  
SELF-INSURANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Charges to other County funds	\$ 2,110,438	\$ 2,110,438	\$ 2,287,150	\$ 176,712
Total charges for services	2,110,438	2,110,438	2,287,150	176,712
Miscellaneous:				
Reimbursements	767,324	767,324	1,326,589	559,265
Interest	48,725	48,725	10,376	(38,349)
Other	10,000	10,000	8,015	(1,985)
Total miscellaneous	826,049	826,049	1,344,980	518,931
<b>TOTAL REVENUES</b>	<b>2,936,487</b>	<b>2,936,487</b>	<b>3,632,130</b>	<b>695,643</b>
<b>EXPENDITURES:</b>				
Materials and services	2,663,300	2,663,300	2,616,454	46,846
Contingency	1,963,944	1,963,944	-	1,963,944
Reserve for future expenditures	232,473	232,473	-	232,473
<b>TOTAL EXPENDITURES</b>	<b>4,859,717</b>	<b>4,859,717</b>	<b>2,616,454</b>	<b>2,243,263</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,923,230)</b>	<b>(1,923,230)</b>	<b>1,015,676</b>	<b>2,938,906</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,923,230)</b>	<b>(1,923,230)</b>	<b>1,015,676</b>	<b>2,938,906</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>1,923,230</b>	<b>1,923,230</b>	<b>2,688,798</b>	<b>765,568</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,704,474</b>	<b>\$ 3,704,474</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Claims payable			(232,473)	
<b>NET ASSETS, as of June 30, 2011</b>			<b>\$ 3,472,001</b>	

**CLACKAMAS COUNTY, OREGON  
RISK MANAGEMENT CLAIMS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Charges to other County funds	\$ 3,672,747	\$ 3,672,747	\$ 4,078,688	\$ 405,941
Total charges for services	3,672,747	3,672,747	4,078,688	405,941
Miscellaneous:				
Miscellaneous	-	-	3,018	3,018
Reimbursements	2,500	2,500	199	(2,301)
Interest	94,566	94,566	27,215	(67,351)
Other	8,500	8,500	4,715	(3,785)
Total miscellaneous	105,566	105,566	35,147	(70,419)
<b>TOTAL REVENUES</b>	<b>3,778,313</b>	<b>3,778,313</b>	<b>4,113,835</b>	<b>335,522</b>
<b>EXPENDITURES:</b>				
Materials and services	3,782,524	4,782,524	5,080,601	(298,077)
Contingency	4,668,799	3,668,799	-	3,668,799
Reserve for future expenditures	1,631,404	1,631,404	-	1,631,404
<b>TOTAL EXPENDITURES</b>	<b>10,082,727</b>	<b>10,082,727</b>	<b>5,080,601</b>	<b>5,002,126</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(6,304,414)</b>	<b>(6,304,414)</b>	<b>(966,766)</b>	<b>5,337,648</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(6,304,414)</b>	<b>(6,304,414)</b>	<b>(966,766)</b>	<b>5,337,648</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>6,304,414</b>	<b>6,304,414</b>	<b>5,935,067</b>	<b>(369,347)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,968,301</b>	<b>\$ 4,968,301</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Claims payable			(4,011,068)	
Invested in capital assets			33,461	
<b>NET ASSETS, as of June 30, 2011</b>			<b>\$ 990,694</b>	

CLACKAMAS COUNTY, OREGON  
CABLE ADMINISTRATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Local	\$ 318,186	\$ 318,186	\$ 306,415	\$ (11,771)
Total intergovernmental	318,186	318,186	306,415	(11,771)
Charges for services:				
Charges for services	290	290	13,397	13,107
Total charges for services	290	290	13,397	13,107
Miscellaneous:				
Miscellaneous	-	-	77	77
Interest	830	830	2,269	1,439
Total miscellaneous	830	830	2,346	1,516
<b>TOTAL REVENUES</b>	<b>319,306</b>	<b>319,306</b>	<b>322,158</b>	<b>2,852</b>
<b>EXPENDITURES:</b>				
Personal services	384,531	388,531	376,190	12,341
Materials and services	555,366	579,132	425,367	153,765
Capital outlay	520,000	339,011	53,572	285,439
Reserve for future expenditures	11,895	55,880	-	55,880
<b>TOTAL EXPENDITURES</b>	<b>1,471,592</b>	<b>1,362,554</b>	<b>855,129</b>	<b>507,425</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,152,286)</b>	<b>(1,043,248)</b>	<b>(532,971)</b>	<b>510,277</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	836,373	836,373	836,373	-
Transfers out	-	(200,000)	(200,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>836,373</b>	<b>636,373</b>	<b>636,373</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(315,913)</b>	<b>(406,875)</b>	<b>103,402</b>	<b>510,277</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>315,913</b>	<b>406,875</b>	<b>400,731</b>	<b>(6,145)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 504,133</b>	<b>\$ 504,132</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Other post employment benefits			(94,935)	
Invested in capital assets			132,552	
<b>NET ASSETS, as of June 30, 2011</b>			<b>\$ 601,750</b>	

CLACKAMAS COUNTY, OREGON  
RECORDS MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Charges to other County funds	\$ 571,985	\$ 571,985	\$ 580,824	\$ 8,639
Charges to others	114,800	114,800	86,012	(26,788)
Total charges for services	686,785	686,785	666,636	(18,149)
<b>TOTAL REVENUES</b>	<b>686,785</b>	<b>686,785</b>	<b>666,636</b>	<b>(18,149)</b>
<b>EXPENDITURES:</b>				
Personal services	486,355	486,355	430,219	56,136
Materials and services	280,806	280,806	269,436	11,370
Contingency	12,000	12,000	-	12,000
<b>TOTAL EXPENDITURES</b>	<b>779,161</b>	<b>779,161</b>	<b>699,655</b>	<b>79,506</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(92,376)</b>	<b>(92,376)</b>	<b>(31,019)</b>	<b>61,357</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(92,376)</b>	<b>(92,376)</b>	<b>(31,019)</b>	<b>61,357</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>92,376</b>	<b>92,376</b>	<b>71,576</b>	<b>(20,800)</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,557</b>	<b>\$ 40,557</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Other postemployment benefits			(39,953)	
Invested in capital assets			16,478	
<b>NET ASSETS, as of June 30, 2011</b>			<b>\$ 17,082</b>	

**CLACKAMAS COUNTY, OREGON  
FACILITIES MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Local	\$ 127,347	\$ 127,347	\$ 48,326	\$ (79,021)
Total intergovernmental	127,347	127,347	48,326	(79,021)
Charges for services:				
Charges to other County funds	7,189,482	7,739,482	7,069,378	(670,104)
Charges to others	63,378	63,378	15,898	(47,480)
Total charges for services	7,252,860	7,802,860	7,085,276	(717,584)
Miscellaneous:				
Miscellaneous	100	100	-	(100)
Other	1,400	1,400	4,059	2,659
Total miscellaneous	1,500	1,500	4,059	2,559
<b>TOTAL REVENUES</b>	<b>7,381,707</b>	<b>7,931,707</b>	<b>7,137,661</b>	<b>(794,046)</b>
<b>EXPENDITURES:</b>				
Personal services	2,294,688	2,844,688	2,502,149	342,539
Materials and services	5,241,376	5,241,376	4,662,840	578,536
Capital outlay	5,000	5,000	51,557	(46,557)
Contingency	30,610	30,610	-	30,610
<b>TOTAL EXPENDITURES</b>	<b>7,571,674</b>	<b>8,121,674</b>	<b>7,216,546</b>	<b>905,128</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(189,967)</b>	<b>(189,967)</b>	<b>(78,885)</b>	<b>111,082</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(189,967)</b>	<b>(189,967)</b>	<b>(78,885)</b>	<b>111,082</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>189,967</b>	<b>189,967</b>	<b>908,941</b>	<b>718,974</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 830,056</b>	<b>\$ 830,056</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Other postemployment benefits			(232,364)	
Invested in capital assets			323,424	
<b>NET ASSETS, as of June 30, 2011</b>			<b>\$ 921,116</b>	

**CLACKAMAS COUNTY, OREGON  
ELECTRONIC SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Charges to other County funds	\$ 1,807,500	\$ 1,807,500	\$ 2,182,946	\$ 375,446
Charges to others	125,000	125,000	107,979	(17,021)
Total charges for services	1,932,500	1,932,500	2,290,925	358,425
Miscellaneous:				
Miscellaneous	-	-	1,000	1,000
Interest	20,000	20,000	4,277	(15,723)
Other	1,441	1,441	1,182	(259)
Total miscellaneous	21,441	21,441	6,459	(14,982)
<b>TOTAL REVENUES</b>	<b>1,953,941</b>	<b>1,953,941</b>	<b>2,297,384</b>	<b>343,443</b>
<b>EXPENDITURES:</b>				
Personal services	712,543	712,543	758,839	(46,296)
Materials and services	1,726,419	1,726,419	1,451,889	274,530
Capital outlay	170,000	595,230	17,216	578,014
Contingency	23,888	23,888	-	23,888
<b>TOTAL EXPENDITURES</b>	<b>2,632,850</b>	<b>3,058,080</b>	<b>2,227,944</b>	<b>830,136</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(678,909)</b>	<b>(1,104,139)</b>	<b>69,440</b>	<b>1,173,579</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(678,909)</b>	<b>(1,104,139)</b>	<b>69,440</b>	<b>1,173,579</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>678,909</b>	<b>1,104,139</b>	<b>1,115,240</b>	<b>11,100</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,184,680</b>	<b>\$ 1,184,679</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Other postemployment benefits			(70,470)	
Invested in capital assets			1,066,630	
<b>NET ASSETS, as of June 30, 2011</b>			<b>\$ 2,180,840</b>	

CLACKAMAS COUNTY, OREGON  
CENTRAL DISPATCH FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ -	\$ -	\$ 52,103	\$ 52,103
State	1,008,846	1,008,846	1,016,389	7,543
Local	21,130	21,130	14,417	(6,713)
Total intergovernmental	1,029,976	1,029,976	1,082,909	52,933
Charges for services:				
Charges to other County funds	2,148,498	2,148,498	2,153,471	4,973
Charges to others	1,922,064	1,922,064	1,922,064	-
Total charges for services	4,070,562	4,070,562	4,075,535	4,973
Miscellaneous:				
Interest	5,000	5,000	6,643	1,643
Other	11,800	11,800	16,129	4,329
Total miscellaneous	16,800	16,800	22,772	5,972
<b>TOTAL REVENUES</b>	5,117,338	5,117,338	5,181,216	63,878
<b>EXPENDITURES:</b>				
Personal services	4,704,679	4,704,679	4,614,762	89,917
Materials and services	838,868	838,868	857,233	(18,365)
Capital outlay	557,592	557,592	111,678	445,914
Contingency	100,000	100,000	-	100,000
Reserve for future expenditures	309,110	309,110	-	309,110
<b>TOTAL EXPENDITURES</b>	6,510,249	6,510,249	5,583,673	926,576
<b>EXCESS (DEFICIENCY) OF REVENUES   OVER EXPENDITURES</b>	(1,392,911)	(1,392,911)	(402,457)	990,454
<b>NET CHANGE IN FUND BALANCE</b>	(1,392,911)	(1,392,911)	(402,457)	990,454
<b>FUND BALANCE, JUNE 30, 2010</b>	1,392,911	1,392,911	1,446,530	53,620
<b>FUND BALANCE, JUNE 30, 2011</b>	\$ -	\$ -	\$ 1,044,073	\$ 1,044,074
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Other postemployment benefits			(428,553)	
Invested in capital assets			428,392	
<b>NET ASSETS, as of June 30, 2011</b>			\$ 1,043,912	

CLACKAMAS COUNTY, OREGON  
FLEET SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Charges to other County funds	\$ 3,275,500	\$ 3,460,500	\$ 3,395,077	\$ (65,423)
Charges to others	55,250	55,250	34,436	(20,814)
Total charges for services	3,330,750	3,515,750	3,429,513	(86,237)
Miscellaneous:				
Other	4,000	4,000	44,131	40,131
Total miscellaneous	4,000	4,000	44,131	40,131
<b>TOTAL REVENUES</b>	3,334,750	3,519,750	3,473,644	(46,106)
<b>EXPENDITURES:</b>				
Personal services	972,981	972,981	916,750	56,231
Materials and services	2,417,086	3,003,250	2,901,269	101,981
Capital outlay	1,085,496	781,706	743,362	38,344
Contingency	50,000	50,000	-	50,000
<b>TOTAL EXPENDITURES</b>	4,525,563	4,807,937	4,561,381	246,556
<b>EXCESS (DEFICIENCY) OF REVENUES   OVER EXPENDITURES</b>	(1,190,813)	(1,288,187)	(1,087,737)	200,450
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	920,496	920,496	979,039	58,543
Transfers out	(120,000)	(120,000)	(120,000)	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	800,496	800,496	859,039	58,543
<b>NET CHANGE IN FUND BALANCE</b>	(390,317)	(487,691)	(228,698)	258,993
<b>FUND BALANCE, JUNE 30, 2010</b>	390,317	487,691	338,003	(149,688)
<b>FUND BALANCE, JUNE 30, 2011</b>	\$ -	\$ -	\$ 109,305	\$ 109,305
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Other postemployment benefits			(85,135)	
Invested in capital assets			2,806,166	
<b>NET ASSETS, as of June 30, 2011</b>			\$ 2,830,336	

**CLACKAMAS COUNTY, OREGON**  
**TECHNOLOGY SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ 35,000	\$ 35,000	\$ 30,630	\$ (4,370)
Local	-	-	3,861	3,861
Total intergovernmental	35,000	35,000	34,491	(509)
Charges for services:				
Charges to other County funds	\$ 8,608,617	\$ 8,608,617	\$ 8,605,664	\$ (2,953)
Charges to others	300,000	300,000	393,178	93,178
Total charges for services	8,908,617	8,908,617	8,998,842	90,225
Miscellaneous:				
Reimbursements	153,918	172,357	128,580	(43,777)
Interest	15,000	15,000	8,385	(6,615)
Other	-	-	5,045	5,045
Total miscellaneous	168,918	187,357	142,010	(45,347)
<b>TOTAL REVENUES</b>	<b>9,112,535</b>	<b>9,130,974</b>	<b>9,175,343</b>	<b>44,369</b>
<b>EXPENDITURES:</b>				
Personal services	5,201,318	5,246,757	5,383,461	(136,704)
Materials and services	3,795,521	4,279,413	3,678,286	601,127
Capital outlay	385,996	413,996	370,256	43,740
Contingency	203,826	122,034	-	122,034
Reserve for future expenditures	61,000	61,000	-	61,000
<b>TOTAL EXPENDITURES</b>	<b>9,647,661</b>	<b>10,123,200</b>	<b>9,432,003</b>	<b>691,197</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(535,126)</b>	<b>(992,226)</b>	<b>(256,660)</b>	<b>735,566</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	35,000	35,000	35,000	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(500,126)</b>	<b>(957,226)</b>	<b>(221,660)</b>	<b>735,566</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>500,126</b>	<b>957,226</b>	<b>957,568</b>	<b>342</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 735,908</b>	<b>\$ 735,908</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Other postemployment benefits			(499,939)	
Invested in capital assets			1,945,194	
<b>NET ASSETS, as of June 30, 2011</b>			<b>\$ 2,181,163</b>	

**PROPRIETARY FUNDS**

**Clackamas County Service District No. 5** - 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** - 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** - The Stone Creek Golf Course Fund accounts for the operation of the County owned golf course.

CLACKAMAS COUNTY, OREGON  
 COMBINING STATEMENT OF NET ASSETS  
 NON-MAJOR PROPRIETARY FUNDS  
 JUNE 30, 2011

	Clackamas County Service District No. 5	Surface Water Management Agency of Clackamas County	Stone Creek Golf Course Fund	Total Non-Major Enterprise Funds
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,133,346	\$ 187,412	\$ 57,725	\$ 1,378,483
Accounts receivable, net	246	11,098	-	11,344
Assessments receivable	104,386	-	-	104,386
Other assets	-	189	200,000	200,189
Total current assets	1,237,978	198,699	257,725	1,694,402
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Capital assets not being depreciated	-	-	7,025,000	7,025,000
Depreciable capital assets, net of depreciation	1,179,391	79,162	215,455	1,474,006
Unamortized bond issuance costs	-	-	16,275	16,275
Total noncurrent assets	1,179,391	79,162	7,256,730	8,515,283
<b>TOTAL ASSETS</b>	<b>\$ 2,417,369</b>	<b>\$ 277,861</b>	<b>\$ 7,514,455</b>	<b>\$ 10,209,685</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts and claims payable	84,178	18,324	-	102,502
Due to other funds	91,499	-	-	91,499
Accrued interest payable	-	-	87,900	87,900
Other	-	3,135	-	3,135
Current portion of long-term debt	-	-	-	-
Bonds payable	-	-	275,000	275,000
Total current liabilities	175,677	21,459	342,900	540,036
<b>Noncurrent liabilities:</b>				
Bonds payable	-	-	4,354,198	4,354,198
Total noncurrent liabilities	-	-	4,354,198	4,354,198
<b>TOTAL LIABILITIES</b>	<b>175,677</b>	<b>21,459</b>	<b>4,697,098</b>	<b>4,894,234</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	1,179,391	79,162	2,611,257	3,869,810
Unreserved	1,062,301	177,240	206,100	1,445,641
<b>TOTAL NET ASSETS</b>	<b>\$ 2,241,692</b>	<b>\$ 256,402</b>	<b>\$ 2,817,357</b>	<b>\$ 5,315,451</b>

CLACKAMAS COUNTY, OREGON  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
 NON-MAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Clackamas County Service District No. 5	Surface Water Management Agency of Clackamas County	Stone Creek Golf Course Fund	Total Non-Major Enterprise Funds
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 1,825,815	\$ 188,922	\$ 2,589,337	\$ 4,584,074
Other	-	16,472	2,908	19,380
<b>TOTAL OPERATING REVENUES</b>	<b>1,825,815</b>	<b>185,394</b>	<b>2,592,245</b>	<b>4,603,454</b>
<b>OPERATING EXPENSES:</b>				
Labor and fringe benefits	-	82,078	-	82,078
Utilities	1,587,464	765	-	1,588,229
Supplies	-	2,778	-	2,778
Professional services	-	36,860	-	36,860
Other operating expenses	-	84,093	1,942,973	2,027,026
Administrative expenses	221,267	-	-	221,267
Depreciation and amortization	97,275	2,268	35,513	135,056
<b>TOTAL OPERATING EXPENSES</b>	<b>1,905,006</b>	<b>208,802</b>	<b>1,978,486</b>	<b>4,093,294</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(80,191)</b>	<b>(23,408)</b>	<b>613,759</b>	<b>510,160</b>
<b>NONOPERATING INCOME (EXPENSE):</b>				
Interest income	4,030	1,202	252	5,484
Interest expense	-	-	(208,449)	(208,449)
<b>TOTAL NONOPERATING INCOME (EXPENSE)</b>	<b>4,030</b>	<b>1,202</b>	<b>(208,197)</b>	<b>(200,965)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>(76,161)</b>	<b>(22,206)</b>	<b>407,562</b>	<b>309,195</b>
<b>Contributions</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>CHANGE IN NET ASSETS</b>	<b>(76,161)</b>	<b>(22,206)</b>	<b>407,562</b>	<b>309,195</b>
<b>NET ASSETS, June 30, 2010</b>	<b>2,317,853</b>	<b>278,608</b>	<b>2,409,795</b>	<b>5,006,256</b>
<b>NET ASSETS, June 30, 2011</b>	<b>\$ 2,241,692</b>	<b>\$ 256,402</b>	<b>\$ 2,817,357</b>	<b>\$ 5,315,451</b>

**CLACKAMAS COUNTY, OREGON  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Clackamas County Service District No. 5	Surface Water Management Agency of Clackamas County	Stone Creek Golf Course Fund	Total Non-Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received for services	\$ -	\$ -	\$ 2,597,245	\$ 2,597,245
Cash received from customers	1,831,554	171,788	-	2,003,320
Cash paid to suppliers for goods and services	(1,590,788)	(233,893)	(2,142,523)	(3,967,182)
Cash paid to related entities for services	(152,355)	-	(239,259)	(391,614)
Other operating revenue	-	16,472	-	16,472
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>88,433</b>	<b>(45,655)</b>	<b>215,463</b>	<b>258,241</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principle paid on bonds payable	-	-	(264,136)	(264,136)
Interest paid on bonds payable	-	-	(209,320)	(209,320)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(473,456)</b>	<b>(473,456)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers to other funds	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received on investments	4,030	1,243	252	5,525
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>92,463</b>	<b>(44,412)</b>	<b>(257,741)</b>	<b>(209,690)</b>
<b>CASH AND CASH EQUIVALENTS, June 30, 2010</b>	<b>1,040,883</b>	<b>231,824</b>	<b>315,468</b>	<b>1,588,173</b>
<b>CASH AND CASH EQUIVALENTS, June 30, 2011</b>	<b>\$ 1,133,346</b>	<b>\$ 187,412</b>	<b>\$ 57,725</b>	<b>\$ 1,378,483</b>

**CLACKAMAS COUNTY, OREGON  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Clackamas County Service District No. 5	Surface Water Management Agency of Clackamas County	Stone Creek Golf Course Fund	Total Non-Major Enterprise Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (80,191)	\$ (23,408)	\$ 813,759	\$ 510,166
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation and amortization	97,275	2,268	35,513	135,056
Changes in assets and liabilities:				
Accounts and other receivables	5,739	2,844	5,000	13,583
Other assets	-	32	(199,550)	(199,518)
Accounts payable	5,972	(30,528)	-	(24,554)
Due to other funds	59,638	3,135	(239,259)	(176,486)
Total adjustments	168,624	(22,247)	(398,296)	(251,919)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 88,433</b>	<b>\$ (45,655)</b>	<b>\$ 215,463</b>	<b>\$ 258,241</b>

CLACKAMAS COUNTY, OREGON  
 CLACKAMAS COUNTY SERVICE DISTRICT NO. 5 FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Street lighting assessments	\$ 1,804,598	\$ 1,804,598	\$ 1,831,171	\$ 26,573
Interest	4,026	4,026	4,030	4
<b>TOTAL REVENUES</b>	<u>1,808,624</u>	<u>1,808,624</u>	<u>1,835,201</u>	<u>26,577</u>
<b>EXPENDITURES:</b>				
Materials and services	1,862,194	1,862,194	1,808,731	53,463
Reserve for future expenditures	551,673	551,673	-	551,673
Contingency	200,000	200,000	-	200,000
<b>TOTAL EXPENDITURES</b>	<u>2,613,867</u>	<u>2,613,867</u>	<u>1,808,731</u>	<u>805,136</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND NET CHANGE IN FUND BALANCE</b>	<u>(805,243)</u>	<u>(805,243)</u>	<u>26,470</u>	<u>(778,559)</u>
<b>FUND BALANCE, JUNE 30, 2010</b>	<u>805,243</u>	<u>605,243</u>	<u>931,445</u>	<u>805,243</u>
<b>FUND BALANCE, JUNE 30, 2011</b>	<u>\$ -</u>	<u>\$ -</u>	<u>957,915</u>	<u>\$ 26,684</u>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Street lighting assessments receivable			104,386	
Capital assets			2,164,983	
Accumulated depreciation			(985,592)	
<b>NET ASSETS, as of June 30, 2011</b>			<u>\$ 2,241,692</u>	

CLACKAMAS COUNTY, OREGON  
 CLACKAMAS COUNTY SURFACE WATER MANAGEMENT  
 AGENCY OF CLACKAMAS COUNTY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Surface water management charges	\$ 172,072	\$ 172,072	\$ 169,922	\$ (3,150)
Interest	706	706	1,202	496
Miscellaneous	15,000	15,000	16,472	1,472
<b>TOTAL REVENUES</b>	<u>187,778</u>	<u>187,778</u>	<u>186,596</u>	<u>(1,182)</u>
<b>EXPENDITURES:</b>				
Materials and services	289,737	289,737	206,534	83,203
Contingency	28,974	28,974	-	28,974
<b>TOTAL EXPENDITURES</b>	<u>318,711</u>	<u>318,711</u>	<u>206,534</u>	<u>112,177</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND NET CHANGE IN FUND BALANCE</b>	<u>(130,933)</u>	<u>(130,933)</u>	<u>(19,938)</u>	<u>(113,359)</u>
<b>FUND BALANCE, JUNE 30, 2010</b>	<u>141,102</u>	<u>141,102</u>	<u>178,921</u>	<u>805,243</u>
<b>FUND BALANCE, JUNE 30, 2011</b>	<u>\$ 10,169</u>	<u>\$ 10,169</u>	<u>158,983</u>	<u>\$ 691,884</u>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Accounts receivable			18,257	
Capital assets			141,937	
Accumulated depreciation			(62,775)	
<b>NET ASSETS, as of June 30, 2011</b>			<u>\$ 256,402</u>	

CLACKAMAS COUNTY, OREGON  
 STONE CREEK GOLF COURSE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Local	\$ -	\$ -	\$ 2,908	\$ 2,908
Total intergovernmental	-	-	2,908	2,908
Charges for services:				
Charges for services	2,831,616	2,831,616	2,589,337	(242,279)
Total charges for services	2,831,616	2,831,616	2,589,337	(242,279)
Miscellaneous:				
Interest	5,000	5,000	252	(4,748)
Total miscellaneous	5,000	5,000	252	(4,748)
<b>TOTAL REVENUES</b>	<b>2,836,616</b>	<b>2,836,616</b>	<b>2,592,497</b>	<b>(244,119)</b>
<b>EXPENDITURES:</b>				
Materials and services	2,189,412	2,189,412	1,942,973	246,439
Debt Service				
Principle	265,000	265,000	265,000	-
Interest and fiscal charges	208,006	208,006	208,006	-
<b>TOTAL EXPENDITURES</b>	<b>2,662,418</b>	<b>2,662,418</b>	<b>2,415,979</b>	<b>246,439</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>174,198</b>	<b>174,198</b>	<b>176,518</b>	<b>2,320</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(174,198)	(174,198)	-	174,198
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(174,198)</b>	<b>(174,198)</b>	<b>-</b>	<b>174,198</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>176,518</b>	<b>176,518</b>
<b>FUND BALANCE, JUNE 30, 2010</b>	<b>-</b>	<b>-</b>	<b>81,207</b>	<b>81,207</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 257,725</b>	<b>\$ 257,725</b>
<b>ADJUSTEMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (US GAAP BASIS):</b>				
Capital assets			7,240,455	
Bond issuance costs			17,077	
Accrued interest			(67,900)	
Bonds payable			(4,630,000)	
<b>NET ASSETS, as of June 30, 2011</b>			<b>\$ 2,817,357</b>	

**TRUST AND AGENCY FUNDS**

CLACKAMAS COUNTY, OREGON  
 AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITY  
 FOR THE YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions (Reductions)	Balance June 30, 2011
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 8,783,407	\$ (1,580,579)	\$ 7,222,828
Property taxes receivable	29,019,896	(1,095,408)	27,924,487
<b>TOTAL ASSETS</b>	<u>\$ 37,803,303</u>	<u>\$ (2,655,988)</u>	<u>\$ 35,147,315</u>
<b>LIABILITY:</b>			
Amounts held in trust	\$ 37,803,303	(2,655,988)	\$ 35,147,315

CLACKAMAS COUNTY, OREGON  
 SHERIFF'S OFFICE RETIREEE MEDICAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous:				
Miscellaneous	\$ 21,535	\$ 21,535	\$ 7,790	\$ (13,745)
Contributions	1,015,721	1,015,721	888,698	(127,023)
<b>TOTAL REVENUES</b>	<u>1,037,256</u>	<u>1,037,256</u>	<u>896,488</u>	<u>(140,768)</u>
<b>EXPENDITURES:</b>				
Personal services	717,074	717,074	466,015	(251,059)
Contingency	1,755,822	1,755,822	-	(1,755,822)
<b>TOTAL EXPENDITURES</b>	<u>2,472,896</u>	<u>2,472,896</u>	<u>466,015</u>	<u>(2,006,881)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,435,640)</u>	<u>(1,435,640)</u>	<u>430,473</u>	<u>1,866,113</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,435,640)</u>	<u>(1,435,640)</u>	<u>430,473</u>	<u>1,866,113</u>
<b>FUND BALANCE, JUNE 30, 2010</b>	<u>1,435,640</u>	<u>1,435,640</u>	<u>1,376,297</u>	<u>59,344</u>
<b>FUND BALANCE, JUNE 30, 2011</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,806,770</u>	<u>\$ 1,925,457</u>

CLACKAMAS COUNTY, OREGON  
ASSESSOR-TAX DEPARTMENT  
SCHEDULE OF CASH RECEIPTS AND TURNS  
FOR THE YEAR ENDED JUNE 30, 2011

Cash on hand, June 30, 2010	\$ 75
Receipts*	
Miscellaneous	108,405
Oregon DCBS fees	19,150
Total receipts and cash on hand	127,555
Turnovers to County Treasurer	(127,530)
Cash on hand, June 30, 2011	\$ 100

\* 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 TURNOVERS  
FOR THE YEAR ENDED JUNE 30, 2011

Cash on hand, June 30, 2010	<u>\$ 560</u>
Receipts*	
Family Violence	55,175
Assessment/Tax State	720,369
OLIS Fees	60,041
Housing Alliance	1,123,710
Recording Fees	2,445,950
County Clerk Lien	35,515
Clerks Fees	170,234
OLCC	13,205
Family Court Services	22,070
Land Corner	570,491
GIS	<u>381,273</u>
Total receipts	<u>5,718,032</u>
Total receipts and cash on hand	5,718,592
Turnovers to County Treasurer	<u>(5,718,032)</u>
Cash on hand, June 30, 2011	<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 TURNOVERS  
FOR THE YEAR ENDED JUNE 30, 2011

Cash on hand, June 30, 2010	<u>\$ 50</u>
Receipts*	
Sheriff's fees	151,037
Concealed weapons permits	269,180
Attorney ID badge	<u>13,150</u>
Total receipts and cash on hand	433,417
Turnovers to County Treasurer	<u>(433,367)</u>
Cash on hand, June 30, 2011	<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 DEPARTMENT  
SCHEDULE OF CASH RECEIPTS AND TURNS  
FOR THE YEAR ENDED JUNE 30, 2011

Cash on hand, June 30, 2010	\$ 800
Receipts*	
Property taxes applied to property tax rolls	593,651,542
Interest received on taxes	3,161,616
	<u>596,813,958</u>
Total receipts and cash on hand	
Turnovers to County Treasurer	<u>(596,813,156)</u>
Cash on hand, June 30, 2011	<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, 2011

Cash on hand, June 30, 2010	\$ 10,560,416
Cash	257,253,191
Investments	
Total cash and investments	<u>267,813,607</u>
Receipts:	
Taxes collected *	593,651,542
Other collections **	2,276,600,927
Total receipts	<u>2,870,252,469</u>
Disbursements:	
Taxes distributed to taxing districts	597,177,794
Other distributions **	2,263,254,566
Total disbursements	<u>2,860,432,360</u>
Cash on hand, June 30, 2011	
Cash	14,716,249
Investments	262,917,467
Total cash and investments	<u>\$ 277,633,716</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, 2011**

Fiscal Year	Receivable June 30, 2010	Levy	Discounts	Interest	Adjustments	Collections	Receivable June 30, 2011
2010-11	\$ -	\$ 611,448,174	\$ (14,879,888)	\$ 301,556	\$ (2,954,943)	\$ (574,276,562)	\$ 19,638,337
2009-10	22,321,631	-	33,142	992,850	(1,446,098)	(13,124,854)	8,776,671
2008-09	9,440,738	-	5,694	908,636	(412,891)	(5,502,158)	4,439,889
2007-06	3,569,423	-	(587)	656,676	(146,189)	(2,815,712)	1,263,611
2006-07	1,085,864	-	1,242	241,381	(71,038)	(924,920)	332,529
2005-06	234,191	-	35	28,863	(27,406)	(84,232)	149,451
and prior	725,501	-	-	33,653	(251,510)	(84,718)	422,926
	<u>37,377,348</u>	<u>-</u>	<u>39,496</u>	<u>\$ 2,860,059</u>	<u>(2,355,132)</u>	<u>(22,538,594)</u>	<u>15,385,177</u>
	<u>\$ 37,377,348</u>	<u>\$ 611,448,174</u>	<u>\$ (14,840,392)</u>	<u>\$ 3,161,615</u>	<u>\$ (5,310,075)</u>	<u>\$ (596,813,156)</u>	<u>\$ 35,023,514</u>

Taxes receivable classified by fund:

General Fund	\$ 5,443,515
Special Revenue Funds:	
North Clackamas Parks and Recreation District Fund	307,160
Clackamas County Extension and 4-H Service District Fund	82,405
Public Safety Local Option Levy Fund	505,234
Debt Service Funds:	
Clackamas Town Center Tax Increment Fund	676,947
Government Camp Tax Increment Fund	-
North Clackamas Revitalization Tax Increment Fund	81,440
Estacada Area County Service District for Library Services Debt Service Fund	1,426
Agency Fund	<u>27,924,487</u>
	<u>\$ 35,023,514</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 ASSETS BY COMPONENT  
LAST TEN FISCAL YEARS

	Fiscal Year			
	2002	2003	2004	2005
<b>Governmental activities:</b>				
Invested in capital assets, net of related debt	\$ 424,428,985	\$ 434,203,055	\$ 471,468,673	\$ 503,352,274
Restricted:				
Culture, education and recreation	22,631,901	2,413,376	2,438,975	1,367,671
Debt service	-	826,011	704,839	1,418,606
Economic development	-	-	-	-
General government	-	-	-	-
Health and human services	-	-	-	-
Public protection	-	-	-	-
Public ways and facilities	-	-	-	-
Total restricted	22,631,901	2,413,376	2,438,975	1,367,671
Unrestricted	114,899,515	153,346,130	150,270,248	170,917,721
Total governmental activities net assets	561,960,401	589,962,561	624,177,896	675,637,666
<b>Business-type activities:</b>				
Invested in capital assets, net of related debt	123,928,855	135,163,235	139,880,451	144,275,649
Restricted for debt service	1,711,342	1,711,342	1,125,308	1,227,736
Unrestricted	41,367,612	34,739,271	39,220,569	43,449,860
Total business-type activities net assets	167,007,819	171,613,848	180,226,328	188,953,245
<b>Primary government:</b>				
Invested in capital assets, net of related debt	548,357,850	569,366,290	611,349,124	647,627,923
Restricted:				
Culture, education and recreation	24,343,243	4,124,718	3,564,283	2,595,407
Debt service	-	826,011	704,839	1,418,606
Economic development	-	-	-	-
General government	-	-	-	-
Health and human services	-	-	-	-
Public protection	-	-	-	-
Public ways and facilities	-	-	-	-
Total restricted	24,343,243	4,124,718	3,564,283	2,595,407
Unrestricted	156,267,127	188,085,401	189,480,817	214,367,581
Total primary government net assets	\$ 728,968,220	\$ 761,576,409	\$ 804,404,224	\$ 864,590,911

	Fiscal Year					
	2006	2007	2008	2009	2010	2011
<b>Governmental activities:</b>						
Invested in capital assets, net of related debt	\$ 547,021,582	\$ 611,805,327	\$ 608,482,281	\$ 659,772,975	\$ 649,766,443	\$ 687,574,117
Restricted:						
Culture, education and recreation	45,382	426,882	276,177	597,898	414,596	3,210,579
Debt service	24,392,787	24,646,482	24,194,094	11,409,316	3,200,924	32,999,312
Economic development	-	-	-	-	-	870,117
General government	-	-	-	-	-	157,978
Health and human services	-	-	-	-	-	18,642,290
Public protection	-	-	-	-	-	5,391,316
Public ways and facilities	-	-	-	-	-	40,772,538
Total restricted	45,382	426,882	276,177	597,898	414,596	102,044,130
Unrestricted	164,334,672	112,373,636	156,786,010	143,761,955	180,497,371	47,406,149
Total governmental activities net assets	711,401,636	724,606,045	765,544,468	804,132,826	830,678,410	837,024,396
<b>Business-type activities:</b>						
Invested in capital assets, net of related debt	146,118,932	159,129,951	170,268,221	184,085,331	181,466,748	194,372,885
Restricted for debt service	1,151,569	5,763,170	4,872,482	6,822,250	10,298,042	12,150,365
Unrestricted	49,406,489	44,923,808	43,599,401	29,407,923	36,031,195	26,866,842
Total business-type activities net assets	196,676,970	209,806,929	218,740,104	220,315,504	226,795,985	233,390,092
<b>Primary government:</b>						
Invested in capital assets, net of related debt	693,140,514	770,935,278	778,750,502	843,858,306	831,233,191	881,947,002
Restricted:						
Culture, education and recreation	1,196,951	6,180,052	5,148,659	7,420,148	10,712,638	3,210,579
Debt service	24,392,787	24,646,482	24,194,094	11,409,316	3,200,924	45,149,677
Economic development	-	-	-	-	-	870,117
General government	-	-	-	-	-	157,978
Health and human services	-	-	-	-	-	18,642,290
Public protection	-	-	-	-	-	5,391,316
Public ways and facilities	-	-	-	-	-	40,772,538
Total restricted	1,196,951	6,180,052	5,148,659	7,420,148	10,712,638	114,194,495
Unrestricted	213,743,141	157,297,644	200,385,411	173,169,878	215,528,566	74,272,991
Total primary government net assets	\$ 908,080,606	\$ 934,412,974	\$ 984,284,572	\$ 1,024,448,332	\$ 1,057,474,395	\$ 1,070,414,468

Notes:

- (1) As these statistics are based off GASB 34 entity-wide statements there is no information available prior to 2003 as GASB 34 was implemented by the County in fiscal year 2003.
- (2) Net asset balances are shown for 2002 because the County recast ending fund balance to establish a prior year net asset balance for the Statement of Activities.
- (3) Restricted net assets 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 Assets.

CLACKAMAS COUNTY, OREGON  
 CHANGES IN NET ASSETS BY COMPONENT  
 LAST NINE FISCAL YEARS

	Fiscal Year			Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 48,381,405	\$ 54,053,967	\$ 55,171,590	\$ 38,075,303	\$ 38,680,291	\$ 40,152,015	\$ 39,437,471	\$ 30,792,322	\$ 29,841,086	
Public protection	56,330,982	57,141,585	58,804,924	71,664,119	80,570,742	88,172,022	90,072,845	95,813,535	102,841,008	
Public ways and facilities	30,105,695	30,832,826	27,933,991	30,122,809	73,100,383	40,228,623	42,676,670	39,637,140	47,527,645	
Health and human services	70,866,010	64,216,382	68,064,573	70,866,010	73,581,911	79,053,114	62,921,800	66,267,791	63,100,622	
Culture, education and recreation	19,810,859	16,627,748	16,206,651	20,027,095	21,298,312	18,781,560	21,285,307	36,080,618	32,027,317	
Economic development	9,596,207	9,313,178	10,150,409	11,764,126	13,900,062	15,494,522	21,453,399	19,953,064	23,226,832	
Interest and fiscal charges	1,367,224	1,958,119	2,466,489	773,286	1,340,350	6,198,736	5,538,161	6,508,874	6,138,140	
Total governmental activities expenses	236,478,382	234,343,805	238,898,636	246,008,419	307,943,254	271,949,338	286,731,644	291,868,175	311,502,722	
Business-type activities:										
Sanitary sewer and surface water	18,115,843	20,703,654	20,965,008	21,086,158	22,381,344	24,773,913	27,643,961	26,750,566	30,721,215	
Housing assistance	18,172,109	17,603,724	17,973,717	18,080,512	17,968,579	18,504,232	18,814,352	19,519,879	20,756,649	
Golf	-	1,816,566	1,799,130	2,038,131	2,354,071	2,321,301	2,412,048	2,409,546	2,184,935	
Lighting	1,146,425	1,198,256	1,326,085	1,459,985	1,551,296	1,676,281	1,787,553	1,822,051	1,906,006	
Total business-type activities expenses	37,434,377	41,422,200	42,063,950	42,664,786	43,855,290	47,275,727	50,657,912	50,502,042	55,568,805	
Total primary government expenses	273,912,759	275,766,005	280,962,586	288,673,205	351,798,544	319,225,065	337,389,556	342,368,217	367,071,527	
<b>Program Revenues:</b>										
Governmental activities:										
Fees, fines and charges for services:										
General government	21,154,929	21,611,991	17,554,963	11,386,546	11,053,069	11,945,557	13,781,168	9,576,700	9,868,437	
Public protection	6,077,736	5,173,960	4,515,305	4,821,133	5,343,663	4,171,464	2,389,826	3,289,355	6,893,013	
Public ways and facilities	13,142,411	15,355,978	17,358,323	18,557,929	19,755,386	6,894,044	2,689,321	3,026,370	2,197,316	
Health and human services	5,730,271	4,442,701	1,867,135	2,719,679	3,516,311	8,167,104	6,234,479	6,368,148	6,801,013	
Culture and recreation	6,648,621	3,129,763	3,165,325	3,289,101	5,208,719	5,552,995	4,935,674	6,085,262	5,650,312	
Economic development	188	1,295,660	784	31,609	38,600	618,525	998,833	565,113	247,154	
Operating grants and contributions	96,327,109	91,179,886	99,983,285	101,493,004	108,281,842	112,138,677	110,471,203	109,951,385	129,875,034	
Capital grants and contributions	21,075,360	28,451,957	41,097,009	50,853,114	49,343,155	31,966,004	32,631,510	29,125,090	7,197,147	
Total governmental activities program revenues	170,356,625	170,641,896	186,042,129	193,152,115	202,538,945	181,454,370	174,133,114	167,967,423	168,529,426	
Business-type activities:										
Fees, fines and charges for services:										
Sanitary sewer and surface water	16,238,401	17,935,059	18,300,436	18,913,320	19,805,710	20,496,448	22,141,681	26,110,532	26,619,292	
Housing assistance	3,329,346	3,197,303	3,208,314	4,378,854	3,789,950	14,489,369	14,491,172	15,396,386	3,851,284	
Golf	-	1,507,560	2,689,585	2,668,640	3,081,998	2,801,556	2,779,987	2,634,596	2,589,337	
Lighting	849,096	1,269,911	1,296,236	1,466,608	1,588,399	1,722,537	1,672,749	1,612,122	1,825,615	
Operating grants and contributions	13,764,697	12,799,743	13,378,521	12,743,936	12,781,069	3,006,230	2,573,136	3,123,527	19,914,975	
Capital grants and contributions	6,219,170	11,986,626	11,583,086	9,161,143	13,290,978	9,827,894	5,922,432	5,920,910	6,026,412	
Total business-type activities program revenues	40,400,710	48,696,202	50,456,158	49,332,501	54,338,102	52,343,034	49,581,157	54,798,063	60,827,115	
Total primary government program revenues	210,757,335	219,338,098	236,498,287	242,484,616	256,877,047	233,797,404	223,714,271	222,765,486	229,356,541	
<b>Net (Expense)/Revenue:</b>										
Governmental activities	(66,121,757)	(63,701,909)	(52,856,507)	(52,656,304)	(105,404,308)	(90,494,968)	(112,598,530)	(123,898,752)	(142,973,296)	
Business-type activities	2,966,333	7,274,002	8,392,208	6,667,715	10,462,812	5,067,307	(1,076,755)	4,296,021	5,258,310	
Total primary government net expense	(63,155,424)	(56,427,907)	(44,464,299)	(46,188,589)	(94,921,497)	(85,427,661)	(113,675,285)	(119,602,731)	(137,714,986)	

Note:  
 As these statistics are based off GASB 34 entity-wide statements there is no information available prior to 2003 as GASB 34 was implemented by the County in fiscal year 2003.

CLACKAMAS COUNTY, OREGON  
 CHANGES IN NET ASSETS BY COMPONENT (Continued)  
 LAST NINE FISCAL YEARS

	Fiscal Year			Fiscal Year					
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets:</b>									
Governmental activities:									
Property taxes levied for:									
General purposes	\$ 63,693,058	\$ 66,094,835	\$ 68,944,051	\$ 72,281,361	\$ 77,524,523	\$ 81,960,906	\$ 86,209,854	\$ 91,474,314	\$ 91,648,852
Public safety services	4,047,623	3,833,826	3,957,674	4,070,522	4,475,172	12,507,284	12,980,053	8,587,078	13,827,366
Parks and recreation operations	3,051,410	3,175,276	3,293,561	3,467,569	4,331,039	4,645,560	4,914,473	5,076,968	5,168,112
Education outreach services	-	-	-	-	-	-	-	-	1,722,033
Redevelopment districts, debt service	12,333,137	12,617,228	12,961,222	13,888,120	9,640,220	9,801,576	11,493,853	19,770,673	13,508,355
Library debt service	-	-	-	118,371	118,840	114,941	120,112	12,441,775	13,144,675
Other taxes not restricted to specific programs	3,470,099	3,550,383	3,808,461	4,189,740	4,687,290	4,951,117	4,849,472	4,393,971	2,683,197
Gain on disposal of assets	-	-	-	-	1,255,320	1,687,760	264,644	2,744,206	562,325
Earnings on investments	2,874,516	2,494,578	3,780,955	7,993,074	10,603,701	10,043,884	4,448,353	1,964,976	1,174,272
Miscellaneous	5,480,085	6,254,844	7,541,432	4,894,356	5,895,715	3,776,380	1,389,387	1,942,724	2,679,171
Transfers	-	(225,088)	742,688	690,442	330,593	207,317	-	239,042	-
Total governmental activities	<u>94,949,928</u>	<u>97,796,072</u>	<u>105,030,044</u>	<u>111,594,455</u>	<u>118,862,413</u>	<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	925,549	833,442	1,166,121	1,709,673	2,537,852	2,524,996	1,308,965	819,767	509,879
Miscellaneous	714,147	279,938	(88,723)	38,779	437,888	1,548,189	1,343,190	1,603,735	825,918
Transfers	-	225,088	(742,688)	(690,442)	(330,593)	(207,317)	-	(239,042)	-
Total business-type activities	<u>1,639,696</u>	<u>1,338,478</u>	<u>334,710</u>	<u>1,058,010</u>	<u>2,645,147</u>	<u>3,865,868</u>	<u>2,652,155</u>	<u>2,184,460</u>	<u>1,335,797</u>
Total primary government	<u>96,589,624</u>	<u>99,134,550</u>	<u>105,364,754</u>	<u>112,652,465</u>	<u>121,507,560</u>	<u>133,762,593</u>	<u>129,332,356</u>	<u>150,820,187</u>	<u>147,454,155</u>
<b>Change in Net Assets:</b>									
Governmental activities	28,828,171	34,094,163	52,173,537	58,738,151	13,458,104	39,401,757	14,081,671	24,736,975	3,145,062
Business-type activities	4,606,029	8,612,480	8,726,918	7,725,725	13,127,959	8,933,175	1,575,400	6,480,481	6,594,107
Total primary government	<u>\$ 33,434,200</u>	<u>\$ 42,706,643</u>	<u>\$ 60,900,455</u>	<u>\$ 66,463,876</u>	<u>\$ 26,586,063</u>	<u>\$ 48,334,932</u>	<u>\$ 15,657,071</u>	<u>\$ 31,217,456</u>	<u>\$ 9,739,169</u>

Note:  
 As these statistics are based off GASB 34 entity-wide statements there is no information available prior to 2003 as GASB 34 was implemented by the County in fiscal year 2003.

CLACKAMAS COUNTY, OREGON  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2002	2003	2004	2005
<b>General Fund</b>				
Reserved	\$ 140,000	\$ 100,532	\$ 16,734	\$ -
Unreserved	7,483,559	10,644,068	16,267,367	13,258,965
Restricted	-	-	-	-
Unassigned	-	-	-	-
<b>Total General Fund</b>	<b>\$ 7,623,559</b>	<b>\$ 11,044,600</b>	<b>\$ 16,284,101</b>	<b>\$ 13,258,965</b>
<b>All Other Governmental Funds</b>				
Reserved	\$ 432,706	\$ 2,890,996	\$ 2,458,290	\$ 2,416,979
Special revenue funds:				
Unreserved	32,780,659	33,762,439	38,491,808	52,077,301
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Capital project funds:				
Unreserved	54,052,806	52,383,774	28,163,582	32,743,402
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Debt service funds:				
Unreserved	23,816,360	37,130,329	50,194,284	59,673,917
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 111,082,531</b>	<b>\$ 126,147,538</b>	<b>\$ 119,307,964</b>	<b>\$ 147,211,599</b>

	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Reserved	\$ -	\$ 180,000	\$ 147,198	\$ 112,870	\$ -	\$ -
Unreserved	17,602,566	15,388,001	17,834,993	13,984,412	21,201,273	-
Restricted	-	-	-	-	-	157,978
Unassigned	-	-	-	-	-	23,206,107
<b>Total General Fund</b>	<b>\$ 17,602,566</b>	<b>\$ 15,568,001</b>	<b>\$ 17,982,191</b>	<b>\$ 14,097,282</b>	<b>\$ 21,201,273</b>	<b>\$ 23,364,085</b>
Reserved	\$ 9,172,226	\$ 12,653,498	\$ 14,091,622	\$ 13,766,206	\$ 13,881,040	-
Special revenue funds:						
Unreserved	62,068,572	60,640,004	69,392,311	45,587,544	53,393,539	-
Nonspendable	-	-	-	-	-	113,090
Restricted	-	-	-	-	-	40,057,446
Committed	-	-	-	-	-	4,189,868
Assigned	-	-	-	-	-	18,937,549
Unassigned	-	-	-	-	-	(1,316,252)
Capital project funds:						
Unreserved	42,293,175	56,225,034	27,907,257	17,241,293	50,215,762	-
Nonspendable	-	-	-	-	-	10,613,143
Restricted	-	-	-	-	-	28,971,806
Assigned	-	-	-	-	-	7,513,831
Unassigned	-	-	-	-	-	-
Debt service funds:						
Unreserved	50,036,843	49,672,722	37,019,036	36,427,538	30,676,866	-
Nonspendable	-	-	-	-	-	252,278
Restricted	-	-	-	-	-	32,999,312
Assigned	-	-	-	-	-	393,801
<b>Total all other governmental funds</b>	<b>\$ 163,570,816</b>	<b>\$ 179,391,258</b>	<b>\$ 148,410,226</b>	<b>\$ 113,022,582</b>	<b>\$ 147,969,209</b>	<b>\$ 142,725,872</b>

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

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Revenues</b>					
Property taxes	\$ 82,014,538	\$ 83,790,908	\$ 89,144,952	\$ 89,728,183	\$ 94,062,977
Other taxes	3,338,255	3,470,599	3,550,751	3,408,691	4,150,496
Licenses and permits	6,278,285	6,890,647	10,266,911	13,479,901	18,662,697
Fees, forfeitures, and penalties	1,136,229	1,375,761	1,421,624	1,653,118	1,621,100
Special assessment collections	1,073,073	1,318,959	721,047	1,435,875	190,875
Intergovernmental	116,113,290	116,737,574	115,666,945	133,217,205	135,970,662
Interest	4,370,626	2,661,562	2,286,066	3,495,847	7,140,163
Charges for services	35,142,605	40,116,122	33,753,750	37,478,326	37,104,108
Land sale proceeds	-	-	-	410,787	-
Miscellaneous	9,784,507	18,651,912	19,110,667	20,268,258	19,515,787
<b>Total revenues</b>	<b>261,203,355</b>	<b>277,802,252</b>	<b>275,922,433</b>	<b>304,975,191</b>	<b>318,448,665</b>
<b>Expenditures</b>					
General government	37,271,604	36,748,939	57,204,684	63,208,285	48,548,386
Public protection	56,375,195	56,623,420	59,656,115	63,142,007	76,150,044
Public ways and facilities	23,406,378	22,433,024	21,122,959	19,760,834	21,558,250
Health and human services	89,316,920	91,917,837	75,247,300	72,801,262	79,378,502
Culture, education and recreation	18,849,231	17,359,004	15,970,648	17,359,478	16,646,026
Economic development	-	-	-	10,188,139	13,913,912
Debt service					
Principal	2,625,553	2,337,097	1,945,202	4,910,706	4,197,672
Interest and fiscal charges	1,630,056	1,367,215	1,887,862	2,438,701	2,394,459
Capital outlay	24,936,324	33,416,399	48,139,120	33,611,001	37,241,635
<b>Total expenditures*</b>	<b>256,411,201</b>	<b>274,402,985</b>	<b>281,173,888</b>	<b>287,360,448</b>	<b>302,288,235</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,792,154</b>	<b>3,399,267</b>	<b>(5,251,455)</b>	<b>17,614,743</b>	<b>16,160,430</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from refunding bonds, net	-	-	-	-	5,820,100
Payment to refunding bond paying agent	-	-	-	-	(5,711,000)
Interfund loan repayment	-	-	-	-	-
Loan proceeds	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Issuance of bonded debt	-	17,574,642	6,326,727	9,920,472	-
Issuance of contract payable	402,496	(306,799)	186,490	5,200,000	7,127,500
Loss on land sold for resale	-	-	-	-	-
Transfers to other governments	-	-	-	-	(1,637,666)
Transfers in	(64,654,103)	72,832,176	73,517,844	66,032,553	116,698,991
Transfers out	(64,927,312)	(75,013,720)	(76,378,679)	(87,692,251)	(117,448,756)
<b>Total other financing sources (uses)</b>	<b>(70,822)</b>	<b>15,066,781</b>	<b>3,654,362</b>	<b>7,260,774</b>	<b>4,542,169</b>
<b>Net change in fund balances</b>	<b>\$ 4,721,332</b>	<b>\$ 18,466,048</b>	<b>\$ (1,597,093)</b>	<b>\$ 24,875,517</b>	<b>\$ 20,702,799</b>
Debt service as a percentage of non-capital expenditures	1.6%	1.5%	1.6%	2.9%	2.5%

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Revenues</b>					
Property taxes	\$ 95,882,022	\$ 107,667,903	\$ 114,250,799	\$ 130,467,904	\$ 139,482,609
Other taxes	4,687,290	4,951,117	4,849,472	4,300,071	2,853,197
Licenses and permits	22,162,735	15,332,627	11,855,613	16,730,404	16,400,040
Fees, forfeitures, and penalties	1,726,557	1,722,852	1,677,521	2,226,108	4,662,230
Special assessment collections	167,894	155,239	148,809	136,824	132,710
Intergovernmental	140,884,892	9,319,838	128,042,691	140,076,368	142,470,963
Interest	9,886,110	133,132,832	4,134,140	1,964,979	1,174,272
Charges for services	51,199,371	51,854,969	42,169,928	41,896,668	46,253,435
Land sale proceeds	5,074,049	314,034	573,421	-	-
Miscellaneous	22,670,751	21,565,968	24,283,575	23,129,397	23,900,433
<b>Total revenues</b>	<b>304,670,466</b>	<b>345,687,739</b>	<b>331,966,206</b>	<b>350,622,850</b>	<b>371,159,689</b>
<b>Expenditures</b>					
General government	53,399,391	51,170,379	56,387,816	54,280,476	53,620,469
Public protection	84,636,946	89,864,349	95,029,528	97,759,730	105,780,516
Public ways and facilities	72,103,681	73,102,593	30,441,055	26,102,699	35,018,009
Health and human services	86,772,961	73,508,338	76,709,614	70,299,434	78,572,103
Culture, education and recreation	20,197,030	29,258,876	23,801,524	24,194,631	30,391,047
Economic development	16,189,138	7,613,070	19,485,414	28,634,613	20,592,000
Debt service					
Principal	2,921,453	9,697,334	9,458,139	15,130,028	12,580,292
Interest and fiscal charges	2,353,319	6,182,175	5,698,673	6,036,329	5,673,005
Capital outlay	85,779,310	80,735,011	57,637,726	45,913,599	37,244,196
<b>Total expenditures*</b>	<b>424,344,212</b>	<b>385,092,122</b>	<b>374,349,085</b>	<b>365,329,436</b>	<b>376,172,328</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(69,673,746)</b>	<b>(39,224,383)</b>	<b>(42,382,879)</b>	<b>(15,506,586)</b>	<b>(8,012,639)</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from refunding bonds, net	-	-	-	5,820,100	-
Payment to refunding bond paying agent	-	-	-	(5,711,000)	-
Interfund loan repayment	-	-	-	-	-
Loan proceeds	-	-	5,000,000	39,796,000	-
Proceeds from sale of capital assets	-	2,270,821	1,068,845	1,221,011	362,325
Issuance of bonded debt	89,488,576	8,017,998	-	2,744,208	6,000,000
Issuance of contract payable	-	-	-	-	-
Loss on land sold for resale	-	-	(977,164)	-	-
Transfers to other governments	-	-	-	-	-
Transfers in	99,326,827	117,462,308	117,578,846	115,620,295	115,434,721
Transfers out	(101,355,789)	(118,177,864)	(119,838,317)	(114,141,939)	(118,965,133)
<b>Total other financing sources (uses)</b>	<b>83,459,693</b>	<b>9,573,263</b>	<b>3,862,210</b>	<b>42,547,674</b>	<b>5,031,913</b>
<b>Net change in fund balances</b>	<b>\$ 13,785,877</b>	<b>\$ (29,651,120)</b>	<b>\$ (38,500,669)</b>	<b>\$ 37,041,088</b>	<b>\$ (2,980,526)</b>
Debt service as a percentage of non-capital expenditures	7.6%	5.2%	4.8%	6.0%	5.3%

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 Assets.

(This page intentionally left blank)

REVENUE CAPACITY

CLACKAMAS COUNTY, OREGON  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Property	Personal Property	Mobile Homes	Public Utility Property	Less: Tax-Exempt Property (3)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Cash Value	Assessed Value as a Percentage of Actual Cash Value
2002	\$ 22,171,983,788	\$ 717,109,831	\$ 283,708,811	\$ 826,814,261	N/A	\$ 23,999,616,711	\$ 2.4042 - 2.9707	30,953,135,346	77.54 %
2003	23,385,420,466	714,745,665	236,103,897	817,180,464	N/A	25,153,450,492	2.3402 - 2.8262	32,639,996,764	77.06
2004	24,596,451,902	718,446,579	220,200,803	841,655,964	N/A	26,376,755,248	2.3387 - 2.8214	34,220,258,939	77.08
2005	25,791,723,246	726,739,679	202,816,302	896,188,608	N/A	27,617,467,835	2.3270 - 2.8235	36,857,601,161	74.93
2006	29,956,429,544	801,657,096	223,859,689	964,730,855	\$ 2,882,471,273	29,054,205,911	2.0386 - 2.8129	41,228,796,488	70.47
2007	31,926,055,480	768,823,297	205,335,047	923,821,160	3,072,401,495	30,751,633,489	1.4900 - 2.8683	48,637,676,395	63.23
2008	33,947,928,598	780,241,341	201,283,980	973,990,260	3,247,473,499	32,655,970,680	1.3256 - 2.8615	57,192,695,090	57.10
2009	35,913,611,262	837,758,184	198,795,056	1,005,929,090	3,438,163,153	34,517,930,429	1.1354 - 2.8469	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	36,061,920,311	9408 - 2.8600	54,457,966,568	66.22
2011	38,740,686,945	154,775,252	895,025,553	1,216,349,414	3,929,241,373	37,077,595,791	9670 - 2.8590	48,903,531,566	75.82

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 page 175. A range of rates is reported for each year, with urban rates at the low end and rural rates at the high end. Services to rural areas have been determined to be more costly.
- (3) Tax-exempt property for 2000-2005 is not available (N/A) at this time. Total taxable assessed value for all years is reported net of tax-exempt property.

CLACKAMAS COUNTY, OREGON  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 YEAR ENDED JUNE 30, 2011  
 (Rate per \$1,000 of Assessed Value)

Clackamas County:	
Rural	\$ .9670 - 2.8590
City	1.9160 - 2.4042
Public Safety Local Option 2006	0.2227 - 0.2480
Component units:	
Clackamas County Enhanced Law Enforcement District	0.5602
North Clackamas Parks and Recreation District	0.5047
Clackamas County Development Agency	0.1231 - .8451
Clackamas County Extension & 4H Service District	0.0393 - 0.0500
Library Service District of Clackamas County	0.3097 - 0.3974
City rates:	
Barlow	0.5894
Canby	3.1647
Canby local option	0.3810
Damascus	3.3000
Estacada	2.5938
Estacada exempt bond	0.3993
Gladstone	4.4734
Gladstone local option	0.9500
Happy Valley	0.6710
Happy Valley local option	1.3800
Lake Oswego (outside and inside school district)	4.5884 - 4.7924
Lake Oswego exempt bond	0.5883
Milwaukie	4.0681
Molalla	5.2051
Molalla exempt bond	0.1152
Oregon City	3.9607
Oregon City exempt bond	0.1169
Portland	4.1289
Portland local option 2009	0.3670
Portland fire/police pension	2.3772
Portland exempt bond	0.1750
Sandy	3.7018
Tualatin	2.2665
Tualatin exempt bond	0.2652
West Linn	2.1200
West Linn exempt bond	0.3322
Wilsonville	2.0598
Wilsonville exempt bond	0.1399
School districts rates, inclusive of local option levies	4.0218 - 6.5281
Community college/educational service district rates, including local option levies	0.1538 - 0.5582
Educational exempt bonds rates	0.1237 - 4.5409
Fire districts, inclusive of local option levies	0.7671 - 2.6385
Urban renewal, other than Clackamas County Development Agency	0.3080 - 2.9629
Other special district rates	0.0062 - 0.2609

(This page intentionally left blank)

Source: Clackamas County Department of Assessment and Taxation

Notes:

- (1) Overlapping rates are those of local governments that apply to property owners within County geographical boundaries. Not all overlapping rates apply to all County property owners.
- (2) Property tax levies may only be approved by a majority vote in elections in which a majority of voters cast a ballot. In November elections of even numbered years a majority vote in favor of a tax levy is sufficient to enact a levy, regardless of voter turnout.
- (3) Rates noted as exempt bond rates are excluded from property tax limitations.

CLACKAMAS COUNTY, OREGON  
 PRINCIPAL PROPERTY TAX PAYERS  
 JUNE 30, 2011 AND NINE YEARS AGO

Taxpayer	2011		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Portland General Electric	\$ 536,048,000	1	1.45 %
Shorenstein Properties LLC	241,726,629	2	0.65
General Growth Properties Inc.	236,967,684	3	0.64
Northwest Natural Gas Company	189,443,500	4	0.51
Clackamas Baking Plant (Fred Meyer Stores Inc.)	178,581,093	5	0.48
Comcast Corporation	144,085,600	6	0.39
Xerox Corporation	87,599,652	7	0.24
PCC Structural Inc.	86,161,228	8	0.23
Thompson Reuters Pts Inc.	65,208,007	9	0.18
Blount Inc.	64,047,836	10	0.17
Commonwealth Rity Adv Inc			
Qwest Corporation			
Deloitte & Touche LLP			
Wilmington Trust Co.			
Verizon Northwest Inc.			
Mentor Graphics Corporation			
Society Sisters Holy Names & Jesus & Mary			
<b>Total</b>	<b>\$ 1,829,869,229</b>		<b>4.94 %</b>

Taxpayer	2002		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Portland General Electric	\$ 379,123,900	1	1.67 %
Shorenstein Properties LLC			
General Growth Properties Inc.			
Northwest Natural Gas Company	110,850,700	2	.46
Clackamas Baking Plant (Fred Meyer Stores Inc.)			
Comcast Corporation			
Xerox Corporation			
PCC Structural Inc.	51,982,796	10	.22
Thompson Reuters Pts Inc.			
Blount Inc.			
Commonwealth Rity Adv Inc	106,309,963	3	.44
Qwest Corporation	90,557,716	4	.38
Deloitte & Touche LLP	79,618,008	5	.33
Wilmington Trust Co.	70,353,604	6	.29
Verizon Northwest Inc.	56,825,137	7	.24
Mentor Graphics Corporation	55,783,380	8	.23
Society Sisters Holy Names & Jesus & Mary	54,957,450	9	.23
<b>Total</b>	<b>\$ 1,056,362,554</b>		<b>4.49 %</b>

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
2002	\$ 61,526,413	\$ 57,457,564	93.4 %	\$ 2,127,009	\$ 59,584,573	96.8 %
2003	65,152,983	61,115,297	93.8	1,924,381	63,039,678	96.8
2004	67,766,126	63,837,062	94.2	1,646,923	65,483,985	96.6
2005	71,044,659	67,156,042	94.5	1,503,898	68,659,940	96.6
2006	74,286,644	70,589,735	95.0	2,246,009	72,815,744	98.0
2007	79,339,667	75,124,257	94.7	2,159,431	77,283,688	97.4
2008	91,903,807	86,387,265	94.0	3,066,916	89,454,181	97.3
2009	96,647,780	89,978,400	93.1	3,610,998	93,589,398	96.8
2010	100,804,719	94,470,625	93.7	2,220,242	96,690,867	95.9
2011	103,507,849	96,905,699	93.6	-	96,905,699	93.6

Source: Clackamas County Department of Assessment and Taxation

**DEBT CAPACITY**

CLACKAMAS COUNTY, OREGON  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Governmental Activities								
Fiscal Year	General Obligation Bonds	Clackamas County Development Agency Urban Renewal Bonds	Limited Tax Assessment Bonds	Full Faith and Credit Obligation	North Clackamas Parks Limited Tax Revenue Refunding Bonds	North Clackamas Parks Limited Full Faith & Credit Obligation	Loans and Contracts Payable	Capital Leases Payable
2002	\$ 7,598,000	\$ -	\$ 5,080,000	\$ 1,245,000	\$ 8,260,000	\$ -	\$ 2,780,200	\$ 1,233,365
2003	6,205,000	-	5,030,000	10,182,416	6,000,000	-	2,617,225	846,757
2004	4,743,086	-	4,880,000	24,287,416	7,710,000	-	3,481,270	781,310
2005	5,128,558	-	2,860,000	24,099,502	7,400,000	-	7,510,347	338,463
2006	3,487,531	-	1,400,000	23,668,588	7,070,000	-	14,496,397	281,907
2007	1,862,036	35,333,000	1,400,000	73,789,250	6,725,000	-	13,784,944	78,687
2008	1,807,388	30,057,474	1,400,000	70,617,974	9,360,000	8,000,000	12,932,616	40,059
2009	1,740,000	24,568,705	1,400,000	68,290,000	5,975,000	7,785,000	17,954,578	-
2010	-	18,630,197	1,400,000	100,230,000	-	13,150,000	21,343,901	-
2011	-	18,630,587	1,400,000	96,620,000	-	12,550,000	19,005,641	-

Source: Clackamas County Finance Department

Notes:

- (1) Details regarding the County's outstanding debt can be found in the Basic Financial Statements at Note 5.
- (2) Per capita and percentage of personal income is based on the population of the entire County as reported on page 185.
- (3) Water Environment Services debt includes Clackamas County Service District No. 1 and Tri-City Service District debt.

N/A - Not available

Business-Type Activities										
Housing Authority General Obligation 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	Water Environment Services General Obligation Bonds	Total	Percentage of Personal Income	Per Capita	
\$ 13,433,199	\$ 1,200,563	\$ -	\$ 2,773,844	\$ 12,748,000	\$ 690,424	\$ 1,770,000	\$ 58,848,074	0.48	\$ 171	
-11,123,553	1,095,646	-	2,611,578	13,188,000	399,424	-	70,258,599	0.56	200	
9,899,116	1,045,040	6,355,000	2,442,618	12,415,000	335,424	-	77,475,260	0.59	218	
9,888,253	1,000,784	6,120,000	2,208,687	11,595,000	320,424	-	78,277,008	0.55	220	
9,468,103	957,842	5,885,000	2,093,497	10,095,444	320,424	-	79,414,727	0.52	218	
9,232,953	911,885	5,643,950	1,892,749	9,244,504	320,424	-	160,209,482	0.88	450	
8,987,803	719,531	5,399,612	1,694,133	8,371,444	-	-	156,387,034	0.93	415	
8,727,853	673,509	5,149,074	1,487,323	46,008,978	-	-	189,787,815	1.14	500	
8,447,503	629,916	4,884,156	1,650,243	89,486,843	-	-	260,259,801	N/A	682	
7,932,653	531,635	4,626,198	8,866,161	110,522,460	-	-	279,452,635	N/A	739	

CLACKAMAS COUNTY, OREGON  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Total General Bonded Debt Outstanding	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property	Per Capita
2002	\$ 21,028,169	\$ 21,028,169	\$ 57,037	\$ 20,971,132	0.07%	\$ 61
2003	17,328,553	17,328,553	99,585	17,228,968	0.05%	49
2004	14,642,202	14,642,202	63,014	14,579,188	0.04%	41
2005	14,816,811	14,816,811	42,828	14,773,983	0.04%	41
2006	12,955,634	12,955,634	11,151	12,944,483	0.03%	35
2007	11,084,989	11,084,989	(93,861)	11,178,850	0.02%	30
2008	10,795,191	10,795,191	38,015	10,757,176	0.02%	29
2009	10,467,653	10,467,653	186,478	10,281,175	0.02%	27
2010	8,447,503	8,447,503	3,252,010	5,195,493	0.01%	14
2011	7,932,653	7,932,653	50,553	7,882,100	2.00%	21

Source: Clackamas County Finance Department

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

- 1) See the Schedule of Assessed Value and Actual Value of Taxable Property on page 165 for actual taxable value of property.
- 2) Population Data can be found in the Schedule of Demographic Statistics on page 195.

CLACKAMAS COUNTY, OREGON  
DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
Canby RFPD 62	\$ 80,000	100.0000 %	\$ 80,000
City of Canby	2,500,000	100.0000	2,500,000
City of Happy Valley	4,555,000	100.0000	4,555,000
City of Lake Oswego	18,580,000	94.3846	17,536,656
City of Molalla	385,000	100.0000	385,000
City of Oregon City	2,050,000	100.0000	2,050,000
City of Portland	142,095,000	0.1441	204,716
City of Sandy	1,440,000	100.0000	1,440,000
City of Tualatin	8,615,000	15.8464	1,523,631
City of West Linn	13,225,000	100.0000	13,225,000
Clackamas Community College	32,605,000	99.9999	32,604,967
Clackamas County Rural Fire Protection District 1	3,500,000	99.8978	3,496,073
Clackamas County School District 108 (Estacada)	34,355,000	100.0000	34,355,000
Clackamas County School District 115 (Gladstone)	56,683,548	100.0000	56,683,548
Clackamas County School District 12 (North Clackamas)	365,473,306	100.0000	365,473,306
Clackamas County School District 35 (Molalla River)	19,157,353	99.9999	19,157,161
Clackamas County School District 3J (West Linn-Wilsonville)	223,127,238	98.0604	218,799,482
Clackamas County School District 4 (Dickie Prairie)	55,000	100.0000	55,000
Clackamas County School District 4 (UH4 Bond)	695,000	100.0000	695,000
Clackamas County School District 46 (Oregon Trail)	114,035,487	100.0000	114,035,487
Clackamas County School District 62 (Oregon City)	93,665,000	100.0000	93,665,000
Clackamas County School District 7J (Lake Oswego)	114,094,222	98.7835	112,706,265
Clackamas County School District 86 (Canby)	89,251,603	100.0000	89,251,603
Colton Water District 11	31,575	100.0000	31,575
Metro	158,020,000	17.7169	27,996,245
Mt Hood Community College	22,615,000	15.4058	3,484,022
Multnomah County School District 10J (Gresham-Barlow)	99,825,371	15.4589	15,431,904
Multnomah County School District 1J (Portland)	476,916,623	0.0759	361,980
Multnomah County School District 28J (Centennial)	31,788,184	6.5508	2,082,380
Multnomah County School District 51J (Riverdale)	28,832,560	4.5458	1,310,671
Oak Lodge Water District	645,000	100.0000	645,000
Portland Community College	199,390,000	5.2926	10,552,915
Silverton Rural Fire Protection District	1,455,000	4.2811	62,290
South Clackamas Transport District	190,000	100.0000	190,000
Tri-Metropolitan Transportation District	9,800,000	17.1318	1,678,916
Tualatin Valley Fire & Rescue District	49,865,000	15.4763	7,717,257
Washington County School District 23J (Tigard-Tualatin)	123,491,239	4.7809	5,903,593
Washington County School District 86J (Sherwood)	127,748,533	8.8247	8,718,454
Willamette Educational Services District	1,880,000	0.5479	10,301
Yamhill County School District 29J (Newberg)	65,146,547	1.8784	1,223,713
<b>Other Debt</b>			
City of Estacada	\$ 1,191,726	100.0000 %	\$ 1,191,726
City of Gladstone	2,050,000	100.0000	2,050,000
City of Lake Oswego	95,000,000	94.3846	89,665,370
City of Milwaukie	4,195,000	99.2733	4,164,515

CLACKAMAS COUNTY, OREGON  
 DIRECT AND OVERLAPPING DEBT (Continued)  
 JUNE 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Other Debt (Continued)</b>			
City of Oregon City	16,180,000	100.0000	16,180,000
City of Portland	567,583,014	0.1441	817,887
City of Sandy	3,525,000	100.0000	3,525,000
City of Wilsonville	10,920,000	87.9408	9,603,135
Clackamas Community College	50,755,000	99.9999	50,754,950
Clackamas County Educational Service District	26,075,000	99.4565	25,933,282
Clackamas County Rural Fire Protection District #1	19,910,000	99.8878	19,887,581
Metro	51,120,000	17.7169	9,056,880
Mt Hood Community College	48,871,319	15.4058	7,498,206
Multnomah Educational Service District	35,560,000	1.3619	484,292
North Clackamas Parks and Recreation District	17,690,000	100.0000	17,690,000
Northwest Regional Educational Service District	6,180,000	1.0009	61,856
Oak Lodge Sanitary District 2	23,900,000	100.0000	23,900,000
Part of Portland	70,415,722	22.0629	15,535,750
Portland Community College	185,865,000	5.2926	9,837,091
Tualatin Valley Fire & Rescue District	16,000,000	15.4753	2,476,208
Willamette Educational Service District	20,261,027	0.5479	111,010
Subtotal overlapping debt			1,682,304,313
County direct debt			<u>253,016,533</u>
<b>Total direct and overlapping debt</b>			<u>\$ 1,835,320,846</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.

(This page intentionally left blank)

CLACKAMAS COUNTY, OREGON

LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

	2002	2003	2004	2005
Debt limit	\$ 619,062,707	\$ 647,399,936	\$ 684,405,179	\$ 737,152,023
Total net debt applicable to limit	21,028,169	17,328,553	14,642,202	14,816,811
Legal debt margin	\$ 598,034,538	\$ 630,071,382	\$ 669,762,977	\$ 722,335,212
Total net debt applicable to the limit as a percentage of debt limit	3.40%	2.68%	2.14%	2.01%

	2006	2007	2008	2009	2010	2011
Debt limit	\$ 824,575,930	\$ 972,753,528	\$ 1,143,853,901	\$ 1,200,167,823	\$ 1,089,159,331	\$ 978,070,631
Total net debt applicable to limit	12,955,634	11,084,989	10,795,191	10,467,653	8,447,503	7,932,653
Legal debt margin	\$ 811,620,296	\$ 961,668,539	\$ 1,133,058,710	\$ 1,189,700,170	\$ 1,080,711,828	\$ 970,137,978
Total net debt applicable to the limit as a percentage of debt limit	1.57%	1.14%	0.94%	0.87%	0.78%	0.81%

Source: Clackamas County Finance Department

Notes:

(1) Through 2006 ORS 287.054 provided " . . . the aggregate amount of general obligation bonded indebtedness of counties shall not at any time exceed two percent of the true cash value of all taxable property in the County."

(2) In 2007 287.054 was repealed by HB 3265 and replaced with 287A.109 (2) " . . . 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. . . ."

(3) Debt reported as applicable to limit includes only general obligation bonded debt.

CLACKAMAS COUNTY, OREGON  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities Limited Tax Assessment Bonds					
	Assessment Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	\$ 1,077,295	\$ -	\$ 1,077,295	\$ 110,000	\$ 336,908	2.41
2003	1,335,080	-	1,335,080	135,600	331,706	2.86
2004	737,150	-	737,150	110,000	325,068	1.69
2005	1,409,025	-	1,409,025	2,390,000	248,644	0.53
2006	200,286	-	200,286	1,375,000	176,189	0.13
2007	186,112	-	186,112	-	91,000	2.05
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

General County Loan Payable to Oregon Department of Transportation (1)

	State and County Transportation Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
	2006	\$ 26,329,155	\$ 20,513,248	\$ 4,815,907	\$ -	\$ 254,414
2007	23,851,232	21,939,506	1,911,726	681,260	459,376	1.88
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	(3,347,225)	1,222,867	708,959	(1.73)
2011	19,952,908	20,007,577	(54,669)	1,231,568	700,268	(0.03)

Clackamas County Services District No. 1 Bancroft Improvement Special Assessment Bonds

	Assessment Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
	2002	\$ 458,412	\$ -	\$ 458,412	\$ 356,000	\$ 62,945
2003	875,776	-	875,776	340,000	149,039	1.79
2004	755,777	-	755,777	113,000	135,096	3.05
2005	20,940	-	20,940	15,000	25,106	0.52
2006	20,222	-	20,222	-	24,352	0.83
2007	19,744	-	19,744	-	24,352	0.81
2008 (2)	5,169	-	5,169	320,424	12,177	0.02

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.

(2) All Bancroft bonded debt for Clackamas County Service District #1 was paid as of 06/30/08.

ECONOMIC AND DEMOGRAPHIC INFORMATION

CLACKAMAS COUNTY, OREGON

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

CLACKAMAS COUNTY, OREGON

PRINCIPAL EMPLOYERS (1)

JUNE 30, 2011 AND NINE YEARS AGO

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income (1)	Portland Metropolitan Area Unemployment Rate (2)
2002	345,150	\$ 12,179,653	\$ 35,288	7.8 %
2003	350,850	12,473,770	35,553	7.9
2004	353,450	13,110,874	37,094	6.8
2005	356,250	14,153,456	39,729	6.0
2006	367,040	15,187,381	41,378	5.0
2007	372,270	16,366,851	43,965	5.0
2008	376,660	16,875,498	44,803	5.4
2009	379,845	16,578,715	43,646	9.3
2010	381,775	N/A	N/A	10.7
2011	378,485	N/A	N/A	9.9

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) Includes Clackamas, Multnomah, Washington and Yamhill Counties in Oregon.

N/A: Not available

Employer	2011			2002		
	Employees	Rank	Percentage of Total (2)	Employees	Rank	Percentage of Total (2)
Intel Corp.	15,228	1	.02 %	16,000	1	.02 %
Providence Health System	13,831	2	.01	12,800	3	.01
Oregon Health & Sciences University	13,283	3	.01	10,100	4	.01
Fred Meyer Stores	9,630	4	.01	13,325	2	.01
Kaiser Foundation Health Plan of the Northwest	9,204	5	.01	7,093	7	.01
Legacy Health System	8,250	6	.01	7,158	6	.01
Multnomah County	6,310	7	.01	-	-	-
Nike Inc.	6,000	8	.01	-	-	-
Portland School District	5,101	9	.01	-	-	-
City of Portland	5,000	10	.01	-	-	-
State of Oregon	-	-	-	9,534	5	.01
Safeway, Inc., Portland Division	-	-	-	6,000	8	.01
U.S. Bancorp	-	-	-	4,242	9	.00
Meier & Frank	-	-	-	3,500	10	.00
<b>Total</b>	<b>91,637</b>		<b>0.11 %</b>	<b>89,752</b>		<b>0.09 %</b>

Sources:

(1) Statistics are the latest available data published in the Portland Business Journal Book of Lists 2011, and Book of Lists 2002. The Business Journal Book of Lists ranks Portland Metropolitan Area employers.

(2) Total Portland Metropolitan Area employment used to calculate percentages is from the Oregon Employment Department.

CLACKAMAS COUNTY, OREGON  
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM (1)  
 LAST EIGHT FISCAL YEARS (3)

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011
<b>General government</b>								
County commissioners & administration	11.8	11.8	11.3	13.8	13.8	14.1	15.1	15.4
Assessor	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5
Information services	48.3	49.3	51.3	52.3	52.8	53.3	50.3	51.6
Building services and surveyor (7)	46.5	50.0	54.0	55.5	57.5	56.5	52.5	30.3
Finance	38.6	39.3	39.3	39.1	39.1	38.1	36.5	39.5
Facilities management (8)	14.0	14.0	14.0	16.0	16.0	20.0	20.0	27.0
County clerk	28.0	28.0	28.0	28.0	28.0	27.0	25.0	23.5
Employee services	28.4	30.6	30.8	32.8	33.6	33.9	34.6	35.4
Other	35.3	37.5	38.7	39.4	43.6	45.5	46.2	43.4
<b>Total General government</b>	<b>308.4</b>	<b>318.0</b>	<b>325.4</b>	<b>334.4</b>	<b>341.9</b>	<b>348.9</b>	<b>340.7</b>	<b>323.5</b>
<b>Public protection (2)</b>								
Homeland security and dispatch	48.0	45.0	47.0	50.0	50.0	51.0	51.0	52.0
Juvenile court services	45.0	47.0	47.5	47.5	48.5	48.5	48.0	49.0
Justice court (4)	N/A	N/A	N/A	N/A	N/A	1.3	6.0	8.0
Sheriff	352.4	377.0	362.5	382.1	434.3	444.8	448.5	450.0
Community corrections	78.8	85.3	87.3	87.3	105.5	105.5	105.5	99.5
District attorney	81.0	81.0	83.0	86.0	90.2	90.5	89.6	87.7
<b>Total Public protection</b>	<b>885.2</b>	<b>935.3</b>	<b>927.3</b>	<b>952.9</b>	<b>728.5</b>	<b>741.6</b>	<b>747.6</b>	<b>746.2</b>
<b>Public ways and facilities</b>								
Roads	125.9	124.9	118.9	119.9	106.9	108.9	107.9	106.9
Engineering	40.1	39.3	40.1	40.8	47.8	45.0	45.0	48.7
<b>Total Public ways and facilities</b>	<b>166.0</b>	<b>164.2</b>	<b>159.0</b>	<b>160.7</b>	<b>154.7</b>	<b>151.9</b>	<b>152.9</b>	<b>155.6</b>
<b>Health and sanitation</b>								
Community health (5)	254.6	284.6	300.2	309.6	300.5	271.4	254.7	261.4
Social services (6)	122.8	127.7	124.9	114.2	117.4	118.3	64.1	70.3
Community environment	12.3	12.3	12.4	12.4	13.9	13.8	14.1	15.3
Dog services	10.8	12.0	12.0	13.0	13.0	13.0	13.0	13.0
Milwaukie Center	9.7	8.2	9.2	9.7	9.7	9.7	9.5	9.0
Other	12.0	12.0	13.0	13.0	12.5	12.3	11.0	11.3
<b>Total health and sanitation</b>	<b>432.2</b>	<b>457.8</b>	<b>471.7</b>	<b>471.8</b>	<b>497.0</b>	<b>438.5</b>	<b>366.4</b>	<b>384.8</b>
<b>Culture and recreation</b>								
Public land owner	11.5	11.5	12.5	12.5	12.5	10.5	10.5	8.5
Parks and forester	35.3	33.8	32.0	31.5	34.6	37.8	40.9	39.7
County fair and tourism	10.0	11.0	11.3	11.0	10.0	10.0	10.0	12.0
<b>Total culture and recreation</b>	<b>56.8</b>	<b>56.4</b>	<b>55.8</b>	<b>55.0</b>	<b>57.1</b>	<b>58.3</b>	<b>61.4</b>	<b>60.2</b>
<b>Education</b>								
Library	15.5	16.3	13.3	11.0	11.0	10.5	10.0	10.0
Library network	5.6	5.6	0.6	6.8	6.8	6.8	7.0	9.0
<b>Total education</b>	<b>21.1</b>	<b>21.9</b>	<b>13.9</b>	<b>17.8</b>	<b>17.8</b>	<b>17.3</b>	<b>17.0</b>	<b>19.0</b>
<b>Economic development</b>								
Planning (7)	32.1	31.6	33.1	33.1	33.1	29.1	28.2	21.3
Community development (6)	9.0	9.0	9.0	12.9	13.0	13.0	13.0	9.0
Community solutions	46.5	38.9	42.8	47.8	59.1	60.9	58.1	58.5
Development Agency	8.0	66.0	6.0	9.0	9.0	9.0	8.0	8.0
Other	5.5	4.0	4.0	5.0	5.3	6.0	6.0	9.0
<b>Total economic development</b>	<b>101.1</b>	<b>149.5</b>	<b>94.9</b>	<b>107.8</b>	<b>119.5</b>	<b>118.0</b>	<b>113.3</b>	<b>105.8</b>
<b>Solid waste</b>	<b>100.0</b>	<b>104.0</b>	<b>105.0</b>	<b>105.0</b>	<b>110.0</b>	<b>113.0</b>	<b>113.0</b>	<b>109.0</b>
Housing assistance	44.5	42.5	39.0	43.0	39.0	40.0	37.0	38.0
Lighting	1.0	1.0	1.0	-	0.0	0.0	0.0	0.0
<b>Total</b>	<b>1,836.3</b>	<b>1,950.6</b>	<b>1,896.0</b>	<b>1,948.5</b>	<b>2,035.5</b>	<b>2,025.5</b>	<b>1,949.3</b>	<b>1,942.2</b>

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.
- The local option law enforcement levy passed by the voters in 2006 provided funding for additional sheriff's.
- (2) Information was not kept in this format prior to 2004 therefore it was not available to disclose.
- (3) Clackamas County Justice Court start-up began just prior to 2009-2010 fiscal year.
- (4) Clackamas County Justice Court start-up began just prior to 2009-2010 fiscal year.
- (5) Closed portion of Sandy Health Clinic in fiscal year 2008-2009.
- (6) 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 FY 2009-2010.
- (7) The significant downturn in housing and construction has resulted in reductions in building and planning.
- (8) Additional facilities staff were hired to work on federally funded grant activities.

OPERATING INFORMATION

CLACKAMAS COUNTY, OREGON  
 OPERATING INDICATORS BY FUNCTION/PROGRAM (3)  
 LAST NINE FISCAL YEARS

Function/Program	2003	2004	2005	2006	2007	2008 (2)	2009	2010	2011
<b>General government:</b>									
Building services:									
Residential plans reviewed within 15 business days	98%	96%	96%	98%	99%	98%	98%	90%	94%
Treasurer:									
Total return on investments	2.12%	2.05%	2.72%	3.87%	5.05%	4.45%	2.51%	1.09%	0.64%
Emergency communications:									
Law enforcement calls dispatched	217,025	234,012	247,907	237,339	244,675	240,863	249,310	225,224	230,323
Emergency medical calls dispatched	N/A	17,817	18,204	19,845	16,738	17,799	18,351	16,866	17,040
9-1-1 calls answered within 10 seconds	97%	99%	96%	96%	96%	97%	97%	98%	99.7%
Public protection:									
Sheriff:									
Arrests booked into jail	9,602	10,726	10,247	10,109	10,752	9,836	9,267	8,718	10,163
Domestic violence reports	1,012	920	898	865	736	732	732	638	620
Driving under influence arrests	674	531	556	592	713	887	789	730	833
Traffic citations	20,146	19,109	20,627	19,942	17,691	19,023	19,387	17,605	17,382
District attorney:									
Family support payments collected (millions)	\$ 16.9	\$ 17.7	\$ 17.8	\$ 18.1	\$ 18.9	\$ 19.7	\$ 19.3	19.8	20.2
Juvenile:									
Youth without new crime within one year of case closing	71.6%	75.5%	72.0%	78.2%	78.4%	77.4%	76.4%	77.2%	80.40%
Community corrections:									
Work crew community service hours	46,352	44,640	39,704	44,785	49,204	53,777	50,878	43,048	39,964
Work release clients free from arrest within one year of program completion	64%	75%	75%	68%	71%	69%	75%	71%	69%
Public ways and facilities:									
Transportation improvement:									
Projects in planning, design or construction	28	38	35	41	49	46	45	29	38
Health and sanitation:									
Social services:									
Households receiving lifespan respite services (5)	402	293	315	483	560	630	580	616	166
Households receiving energy assistance	5,739	5,725	5,766	6,127	6,516	6,445	7,953	7,314	5,884
Community health:									
Public health appointments, uninsured and underinsured (6)	N/A	32,142	34,146	35,791	39,869	N/A	N/A	N/A	N/A
Community environment:									
Regional solid waste recovery rate (OEQ measure)	54.0%	57.0%	58.0%	59.0%	55.3%	56.0%	58.5%	57.9%	N/A
Dog services:									
Animals licensed	23,322	25,300	19,384	17,751	18,000	15,357	13,668	13,229	13,661
Milwaukee Center:									
Social service units provided	16,945	15,451	13,777	17,850	15,277	13,783	16,857	15,675	17,000
Meals on Wheels and on-site meals served	68,691	65,176	65,805	68,983	73,777	75,821	72,870	66,903	74,050
Culture and recreation:									
Forest Management:									
Forest acres reforested or improved	18	220	125	55	100	-	-	130	50
Tourism:									
Visitor spending in Clackamas County (millions) (4)	\$ 312.1	\$ 322.1	\$ 366.6	\$ 383.9	\$ 411.9	\$ 440.7	\$ 384.0	411.0	N/A
County fair attendance	140,275	140,124	140,550	140,750	144,130	112,450	124,000	126,875	134,124
North Clackamas Parks and Recreation District:									
Swim lesson participants	2,744	3,000	3,643	3,612	4,292	4,347	4,306	4,481	4,593
Aquatic park total customers served (3)	255,072	231,189	240,928	245,928	238,703	251,056	246,857	245,905	312,909
Education:									
Library:									
Items in library collection	169,532	171,678	170,000	185,207	169,414	165,519	168,023	159,743	174,771
Items checked out	1,041,082	1,001,812	1,098,328	991,364	937,898	1,046,304	881,207	866,505	942,121
Economic development:									
Business and economic development:									
Location proposals to outside companies	55	62	20	30	25	20	56	32	11
Acres of shovel ready industrial land added to inventory	N/A	225	100	38	-	25	36	0	0
Sanitary sewer and surface water:									
Tri-City Service District:									
Sanitary sewer flows (million gallons/day)	8.99	8.73	8.32	10.07	9.01	8.63	7.93	8.52	10.65
Sanitary sewer treatment capacity (million gallons/day)	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Clackamas County Service District No. 1:									
Sanitary sewer flows (million gallons/day)	9.70	8.48	8.31	8.72	8.67	8.73	7.88	7.90	8.86
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
Housing assistance:									
Rental assistance monthly vouchers provided	18,782	17,675	18,228	17,743	16,197	18,548	18,561	19,361	16,885
Golf:									
Rounds of golf played at Stone Creek Golf Course (18 holes)	N/A	55,100	56,000	57,000	57,000	58,000	58,300	55,646	54,435

Sources: Clackamas County Finance Department

Notes:

- (1) N/A 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 the end of the year. 2009 estimate of 435.7 (million) fell short due to the economic downturn. Actual was 384.0 (million).
- (5) Change in data reporting yields action outcomes.
- (6) This measurement was discontinued in 2009.

CLACKAMAS COUNTY, OREGON  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST NINE FISCAL YEARS

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General government</b>									
Facilities management:									
Building space maintained in square feet	778,086	849,179	865,133	876,005	963,849	1,144,614	1,088,308	1,160,861	1,155,271
Emergency communications:									
Dispatching stations	13	13	13	13	14	14	14	14	14
<b>Public protection</b>									
Sheriff:									
Stations	2	2	2	2	2	3	3	3	3
Jail beds available	350	350	350	350	350	434	434	434	434
Active patrol vehicles	118	118	118	118	118	128	143	149	150
Community corrections:									
Work release beds	80	80	80	80	80	114	114	114	114
Juvenile:									
Shelter beds	14	14	14	14	14	11	14	14	14
Detention beds	14	14	14	14	14	14	14	14	14
<b>Public ways and facilities</b>									
Roads:									
Miles of road treated with asphalt, overlay, base and crack treatment	253	244	175	153	134	89	90	40	104
Road miles maintained	1,423	1,420	1,422	1,413	1,406	1,406	1,407	1,396	1,395
<b>Health and sanitation</b>									
Community health:									
County owned clinics	3	3	3	3	3	3	3	3	3
Leased clinics	3	3	3	3	3	2	2	1	3
Interview rooms	24	24	24	24	24	19	19	17	17
Exam rooms	31	31	31	31	31	29	23	23	27
Social services:									
Client interview rooms	7	7	7	7	7	7	7	7	7
<b>Culture and recreation</b>									
Parks:									
Parks maintained	49	50	53	53	53	73	78	79	71
Boat ramps	7	7	7	7	7	7	7	7	7
Baseball fields	7	7	7	7	9	9	13	14	14
Soccer fields	3	3	3	3	3	3	4	6	6
<b>Education</b>									
Library network:									
Library computer workstations supported throughout County area	425	438	443	450	460	460	475	475	475
<b>Sanitary sewer and surface water</b>									
Tri-City Service District:									
Sanitary sewer pump stations	4	4	4	4	4	4	4	4	4
Sanitary sewer miles of pipe (1)	21.24	21.24	21.24	21.24	21.24	21.24	21.24	21.24	21.24
Clackamas County Service District No. 1:									
Sanitary sewer pump stations	11	11	12	12	12	12	16	16	16
Sanitary sewer miles of pipe	254.9	261.9	275.9	261.9	301	308	317	317	317
<b>Housing assistance</b>									
Rental unit months leased to low income tenants	10,350	10,361	10,399	10,473	10,185	10,438	10,192	10,425	10,511
<b>Lighting</b>									
Service District No. 5 owned streetlights	441	438	443	450	460	477	519	535	

Source: Clackamas County Finance Department

Note:

(1) In 2009-2010 this chart was revised to reflect new miles of pipe data for the Tri-City Service District

**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 AUDITING STANDARDS**

Board of Commissioners  
Clackamas County, Oregon

We have audited the basic financial statements of Clackamas County ("the County") as of and for the year ended June 30, 2011 and have issued our report thereon dated March 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 2011 and 2012.
- 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.

**Excess of Expenditures over Appropriations**

As described in Note 2, *Stewardship, Compliance and Accountability*, the results of testing indicated 15 instances of non-compliance related to excess expenditures over appropriations.

**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 AUDITING STANDARDS**



**Deficit Fund Balances/Net Assets**

As described in Note 2, *Stewardship, Compliance and Accountability*, the County reported deficit fund balances among the individual funds.

**Noncompliance with a Federally Funded Program**

We found an instance of noncompliance with requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the schedule of findings and questioned costs as item 2011-02, as presented under separate cover.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. That item is noted at 2011-01 in the Schedule of Findings and Questioned Costs, as presented under separate cover. 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.

This report is intended solely for the information of the Audit Committee, Board of County Commissioners, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in cursive script, appearing to read "James C. Lazerotte".

For Moss Adams LLP  
Eugene, Oregon  
March 22, 2012

(This page left blank intentionally)

# Appendix C

**Book Entry Only System**

(This page left blank intentionally)

**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 3.5 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](http://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

(This page left blank intentionally)

## CONTINUING DISCLOSURE CERTIFICATE

**\$18,875,000**

**Clackamas County, Oregon**

**Full Faith and Credit Refunding Obligations**

**Series 2012**

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 2012 (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 August 22, 2012.

“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 under the heading “Appendix B: Financial Statements” (audited financial statement for Fiscal Year 2011).

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 2011-2012. 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 to provide notices of material events 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 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](http://emma.msrb.org).

Section 11. 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 6<sup>th</sup> day of September, 2012.

**Clackamas County, Oregon**

By: \_\_\_\_\_  
County Official

# **Appendix E**

**Form of Financing Agreement and Form of Escrow Agreement**

(This page left blank intentionally)

# FINANCING AGREEMENT

by and between

**The Bank of New York Mellon Trust Company, N.A.**  
as Escrow Agent

and

**Clackamas County, Oregon**  
as Borrower

Dated as of September 6, 2012

**\$18,875,000**

Clackamas County, Oregon  
Full Faith and Credit Refunding Obligations,  
Series 2012

## Table of Contents

Page

<b>1. RECITALS, DEFINITIONS AND RULES OF CONSTRUCTION.....</b>	<b>1</b>
1.1 RECITALS.....	1
1.2 DEFINITIONS.....	1
1.3 RULES OF CONSTRUCTION.....	2
<b>2. REPRESENTATIONS, WARRANTIES AND COVENANTS.....</b>	<b>2</b>
2.1 REPRESENTATIONS, WARRANTIES AND COVENANTS OF COUNTY.....	2
2.2 REPRESENTATIONS, WARRANTIES AND COVENANTS OF ESCROW AGENT.....	2
2.3 TAX COVENANTS.....	3
<b>3. THE LOAN AND THE FINANCING PAYMENTS.....</b>	<b>3</b>
3.1 THE LOAN.....	3
3.2 THE FINANCING PAYMENTS AND ADDITIONAL CHARGES.....	3
3.3 PREPAYMENT.....	4
3.4 OBLIGATION TO PAY FINANCING PAYMENTS IS UNCONDITIONAL; PLEDGE OF FULL FAITH AND CREDIT.....	5
3.5 ESTOPPEL.....	6
<b>4. TITLE AND ASSIGNMENT.....</b>	<b>7</b>
4.1 TITLE.....	7
4.2 ASSIGNMENT BY THE ESCROW AGENT.....	7
4.3 ASSIGNMENT BY THE COUNTY.....	7
<b>5. FINANCING DEFAULTS AND REMEDIES.....</b>	<b>7</b>
5.1 FINANCING DEFAULTS DEFINED.....	7
5.2 FORCE MAJEURE.....	8
5.3 REMEDIES ON FINANCING DEFAULT.....	8
<b>6. MISCELLANEOUS.....</b>	<b>8</b>
6.1 NOTICES.....	8
6.2 BINDING EFFECT.....	9
6.3 SEVERABILITY.....	9
6.4 AMENDMENTS.....	9
6.5 EXECUTION IN COUNTERPARTS.....	9
6.6 APPLICABLE LAW.....	9
6.7 HEADINGS.....	9

EXHIBIT A: Financing Payments Schedule

## FINANCING AGREEMENT

This Financing Agreement is dated as of September 6, 2012, and is entered into by and between The Bank of New York Mellon Trust Company, N.A., 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 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 1.2 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 1.2 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 2012 which is dated as of September 6, 2012, as it may be amended or supplemented.

"Financing Agreement" means this Financing Agreement, including the exhibits attached to this Financing Agreement and any amendments to this Financing Agreement and its exhibits.

"Financing Amount" means \$18,875,000.

"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 2012 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) herein, or the date on which any Financing Payment will be prepaid in accordance with the Escrow Agreement and this Financing Agreement.

#### 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 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 association 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 the 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 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 3.3 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 June 1 and December 1 of each year, commencing December 1, 2012, at the rates shown in Exhibit A.

3.2(C) To secure the performance of its obligation to pay Financing Payments, the County shall deposit an amount equal to each Financing Payment with the Escrow Agent one Business Day preceding each scheduled Payment Date. Each deposit made under this Section 3.2(C) shall be applied toward its Financing Payment.

3.2(D) In determining the amount of the deposit which is due from the County under Section 3.2(C) 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(f) of the Code; 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) Additional Charges shall be paid by County when due. Additional Charges described in Section 3.2(E)(1) above shall be paid to the United States Department of Treasury. Additional Charges described in Section 3.2(E)(2) above shall be paid to the Escrow Agent.

### **3.3 Prepayment.**

3.3(A) Optional Prepayment. The principal component of Financing Payments coming due in years 2013 through 2022, inclusive, are not subject to prepayment prior to their respective payment dates. The principal component of Financing Payments coming due on June 1, 2023 and on any date thereafter are subject to prepayment at the option of the County prior to their stated maturity dates at any date on or after June 1, 2022, as a whole or in part, and if in part, with maturities to be selected by the County and by lot within a CUSIP at a price of par, plus accrued interest, if any, to the date of prepayment.

3.3(B) Mandatory Prepayment.

The Term Obligation stated to mature on June 1, 2028 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount (\$)</u>
2027	985,000
2028*	1,045,000

\*Final maturity

The Term Obligation stated to mature on June 1, 2031 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount (\$)</u>
2030	1,180,000
2031*	1,250,000

\*Final maturity

The Term Obligation stated to mature on June 1, 2033 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount (\$)</u>
2032	1,325,000
2033*	1,405,000

\*Final maturity

A Term Obligation subject to optional prepayment and redeemed in part will have the principal amount within the respective mandatory prepayment dates selected by the County and communicated in writing to the Escrow Agent.

3.3(C) Notice of Prepayment. The County shall give notice of prepayment of Financing Payments to the Escrow Agent not later than 5 business days before the notice of prepayment is required to be made.

**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 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 \$96,890,000 aggregate principal amount of borrowings currently outstanding, after the issuance of this Financing Agreement and the defeasance of the portion of the County’s Full Faith and Credit Obligations, Series 2003 and the County’s Full Faith and Credit Obligations, Series 2004 refunded with this Financing Agreement, that is subject to this limit.

(3) The real market value of the County for Fiscal Year 2012 is \$45,749,197,720, and the total amount of borrowings subject to the limit described in Section 287A.105 which the County may have outstanding is \$457,491,977.

(4) \$96,890,000 is less than \$457,491,977 (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 taxes, revenues and other funds. 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 County shall be entitled to unencumbered, fee simple title to the Projects, and the Escrow Agent and the Owners shall have no lien on, or security interest in, the Projects.

##### **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 herein;

5.1(B) Except as provided in Section 5.2 below, failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed 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, unless the Escrow Agent shall agree in writing to an extension of such time prior to its expiration; provided, however, that 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 occurrence and continuance of an Escrow Default;

5.1(D) 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, the State of Oregon or of the city 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 described in Section 9.2 of the Escrow Agreement.

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 5.3 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. In acting hereunder, the Escrow Agent shall be afforded all the rights, protections and indemnities hereunder as accorded to it under the Escrow Agreement.

#### **6. Miscellaneous**

##### **6.1 Notices.**

All notices and other communications required by the Agreement shall be considered properly given if they are delivered via electronic or by facsimile or first class mail:

To the Escrow Agent at:  
The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, 4th Floor  
Los Angeles, CA 90071  
Attention: Corporate Trust Services  
Fax: 213-630-6442

To the County at:  
Clackamas County  
2051 Kaen Road

Oregon City, OR 97045  
Attention: Finance Director  
Fax: 503-742-5401

**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.

**The Bank of New York Mellon Trust  
Company, N.A.**, as Escrow Agent

\_\_\_\_\_  
Authorized Officer

**Clackamas County, Oregon**

\_\_\_\_\_  
County Official

**EXHIBIT A**  
**Financing Payments Schedule**

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2012			159,200.87	159,200.87
6/1/2013	200,000	2.500%	337,131.25	537,131.25
12/1/2013			334,631.25	334,631.25
6/1/2014	320,000	2.500%	334,631.25	654,631.25
12/1/2014			330,631.25	330,631.25
6/1/2015	585,000	2.500%	330,631.25	915,631.25
12/1/2015			323,318.75	323,318.75
6/1/2016	630,000	2.500%	323,318.75	953,318.75
12/1/2016			315,443.75	315,443.75
6/1/2017	675,000	2.500%	315,443.75	990,443.75
12/1/2017			307,006.25	307,006.25
6/1/2018	710,000	4.000%	307,006.25	1,017,006.25
12/1/2018			292,806.25	292,806.25
6/1/2019	770,000	5.000%	292,806.25	1,062,806.25
12/1/2019			273,556.25	273,556.25
6/1/2020	835,000	5.000%	273,556.25	1,108,556.25
12/1/2020			252,681.25	252,681.25
6/1/2021	910,000	5.000%	252,681.25	1,162,681.25
12/1/2021			229,931.25	229,931.25
6/1/2022	985,000	5.000%	229,931.25	1,214,931.25
12/1/2022			205,306.25	205,306.25
6/1/2023	1,060,000	4.000%	205,306.25	1,265,306.25
12/1/2023			184,106.25	184,106.25
6/1/2024	1,135,000	4.000%	184,106.25	1,319,106.25
12/1/2024			161,406.25	161,406.25
6/1/2025	845,000	4.000%	161,406.25	1,006,406.25
12/1/2025			144,506.25	144,506.25
6/1/2026	915,000	4.000%	144,506.25	1,059,506.25
12/1/2026			126,206.25	126,206.25
6/1/2027	985,000*	3.000%	126,206.25	1,111,206.25
12/1/2027			111,431.25	111,431.25
6/1/2028	1,045,000	3.000%	111,431.25	1,156,431.25
12/1/2028			95,756.25	95,756.25
6/1/2029	1,110,000	3.000%	95,756.25	1,205,756.25
12/1/2029			79,106.25	79,106.25
6/1/2030	1,180,000*	3.000%	79,106.25	1,259,106.25
12/1/2030			61,406.25	61,406.25
6/1/2031	1,250,000	3.000%	61,406.25	1,311,406.25
12/1/2031			42,656.25	42,656.25

6/1/2032	1,325,000*	3.125%	42,656.25	1,367,656.25
12/1/2032			21,953.13	21,953.13
6/1/2033	1,405,000	3.125%	21,953.13	1,426,953.13
	<u>18,875,000</u>		<u>8,284,025.88</u>	<u>27,159,025.88</u>

\*The 2027 and 2028 principal payments are mandatory prepayments related to the term obligation maturing June 1, 2028.

\*The 2030 and 2031 principal payments are mandatory prepayments related to the term obligation maturing June 1, 2031.

\*The 2032 and 2033 principal payments are mandatory prepayments related to the term obligation maturing June 1, 2033.

(This page left blank intentionally)

# ESCROW AGREEMENT

by and between

**The Bank of New York Mellon Trust Company, N.A.**  
as Escrow Agent

and

**Clackamas County, Oregon**

Dated as of September 6, 2012

\$18,875,000

Full Faith and Credit Refunding Obligations,  
Series 2012

Evidencing interests in the Financing Payments due from  
Clackamas County, Oregon

## Table of Contents

	Page
<b>1. DEFINITIONS; RULES OF CONSTRUCTION, RECITALS; AND TRANSFER OF RIGHTS.....</b>	<b>1</b>
1.1 DEFINITIONS.....	1
1.2 RULES OF CONSTRUCTION.....	3
1.3 RECITALS.....	3
1.4 RIGHTS UNDER FINANCING AGREEMENT HELD FOR BENEFIT OF OWNERS.....	4
<b>2. THE FULL FAITH AND CREDIT REFUNDING OBLIGATIONS, SERIES 2012.....</b>	<b>4</b>
2.1 PREPARATION AND DELIVERY OF OBLIGATIONS.....	4
2.2 PAYMENT OF OBLIGATIONS.....	4
2.3 BOOK-ENTRY ONLY SYSTEM.....	4
2.4 FORM OF OBLIGATIONS.....	5
2.5 EXECUTION.....	5
2.6 EXECUTION OF DOCUMENTS.....	6
2.7 OBLIGATION REGISTER.....	6
2.8 REDEMPTION.....	6
2.9 CONDITIONAL REDEMPTION.....	7
2.10 NOTICE OF REDEMPTION.....	7
<b>3. ACCOUNTS.....</b>	<b>7</b>
3.1 PAYMENT ACCOUNT.....	7
3.2 ADDITIONAL CHARGES.....	8
3.3 DEPOSITS AT CLOSING.....	8
<b>4. PAYMENT ACCOUNT HELD IN TRUST; INVESTMENT.....</b>	<b>9</b>
4.1 MONEYS AND INVESTMENTS HELD IN TRUST.....	9
4.2 INVESTMENTS AUTHORIZED.....	9
4.3 ACCOUNTING.....	9
4.4 ALLOCATION OF EARNINGS.....	10
4.5 DISPOSITION OF INVESTMENTS.....	10
4.6 DEPOSIT AND INVESTMENT OF MONEYS IN ACCOUNTS.....	10
<b>5. THE ESCROW AGENT.....</b>	<b>10</b>
5.1 COMPENSATION OF THE ESCROW AGENT.....	10
5.2 REMOVAL OF ESCROW AGENT.....	10
5.3 RESIGNATION OF ESCROW AGENT.....	11
5.4 MERGER OR CONSOLIDATION.....	11
5.5 ACCEPTANCE OF APPOINTMENT BY SUCCESSOR ESCROW AGENT.....	12
5.6 DUTIES AND RESPONSIBILITIES OF THE ESCROW AGENT PRIOR TO AND DURING DEFAULT.....	12
5.7 PROTECTION AND RIGHTS OF THE ESCROW AGENT.....	13
5.8 INDEMNIFICATION.....	15
<b>6. CONCERNING THE OBLIGATION OWNERS.....</b>	<b>15</b>
6.1 EVIDENCE OF ACTION TAKEN BY OWNERS.....	15
6.2 ACTION TAKEN BY OWNERS IRREVOCABLE.....	15
6.3 CERTAIN OBLIGATIONS DISREGARDED.....	16
<b>7. MODIFICATION OF ESCROW AGREEMENT AND FINANCING AGREEMENT.....</b>	<b>16</b>
7.1 LIMITATIONS.....	16
7.2 SUPPLEMENTAL ESCROW AGREEMENT WITHOUT CONSENT OF OWNERS.....	16
7.3 SUPPLEMENTAL ESCROW AGREEMENT WITH CONSENT OF THE OWNERS.....	17

**Table of Contents**

	<b>Page</b>
7.4 EFFECT OF SUPPLEMENTAL ESCROW AGREEMENT.....	18
7.5 AMENDMENTS TO FINANCING AGREEMENT NOT REQUIRING CONSENT OF OWNERS. ....	18
7.6 AMENDMENTS TO FINANCING AGREEMENT REQUIRING CONSENT OF THE OWNERS. ....	19
<b>8. COVENANTS .....</b>	<b>19</b>
8.1 COMPLIANCE WITH AND ENFORCEMENT OF FINANCING AGREEMENT.....	19
8.2 NOTICE OF DEFAULT.....	19
8.3 TAX COVENANTS.....	20
8.4 FURTHER ASSURANCES.....	20
<b>9. EVENTS OF DEFAULT.....</b>	<b>20</b>
9.1 EVENTS OF DEFAULT.....	20
9.2 REMEDIES ON ESCROW DEFAULT.....	20
9.3 NO REMEDY EXCLUSIVE.....	21
9.4 WAIVER.....	21
9.5 NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER.....	21
9.6 APPLICATION OF MONEYS UPON DEFAULT.....	21
9.7 ACTION BY OWNERS.....	22
<b>10. LIMITATION OF LIABILITY.....</b>	<b>22</b>
10.1 LIMITED LIABILITY OF COUNTY.....	22
10.2 NO LIABILITY OF COUNTY FOR ESCROW AGENT PERFORMANCE.....	22
10.3 NO LIABILITY OF ESCROW AGENT FOR THE FINANCING PAYMENT BY COUNTY.....	22
10.4 OPINION OF COUNSEL; EXPERTS.....	23
10.5 LIMITATION OF RIGHTS TO PARTIES AND OWNERS.....	23
<b>11. MISCELLANEOUS.....</b>	<b>23</b>
11.1 DEFEASANCE.....	23
11.2 NOTICES.....	24
11.3 GOVERNING LAW.....	24
11.4 PARTIAL INVALIDITY.....	24
11.5 BINDING EFFECT; SUCCESSORS.....	25
11.6 EXECUTION IN COUNTERPARTS.....	25
11.7 DESTRUCTION OF CANCELED OBLIGATIONS.....	25
11.8 HEADINGS.....	25

EXHIBIT A: MATURITY SCHEDULE

EXHIBIT B: FORM OF OBLIGATION

**ESCROW AGREEMENT**

**\$18,875,000**  
**Clackamas County, Oregon**  
**Full Faith and Credit Refunding Obligations**  
**Series 2012**

THIS ESCROW AGREEMENT is dated as of September 6, 2012, is entered into by and between The Bank of New York Mellon Trust Company, N.A., a national banking association, organized under the laws of the United States, and having a corporate trust office in Los Angeles, California, as Escrow Agent, and Clackamas County, Oregon. The parties hereby agree as follows:

**1. Definitions; Rules of Construction, Recitals; and Transfer of Rights.**

**1.1 Definitions.**

Unless the context clearly requires otherwise: capitalized terms not defined in this Section 1.1 shall have the meanings defined for such terms in the Financing Agreement; and, capitalized terms used in this Escrow Agreement which are defined in this Section 1.1 shall have the following meanings:

“Additional Charges” means the amounts specified as such pursuant to Section 3.2(E) of the Financing Agreement.

“Business Day” means any day other than a Saturday, Sunday or a day on which the County or the Escrow Agent is authorized by law to remain closed.

“Closing Date” means the day on which the Obligations are delivered to their initial purchasers in exchange for payment.

“County” means Clackamas County, Oregon, or its successors.

“County Official” means the County Administrator or County Finance Director under Order No. 2012-71 adopted by the Board of County Commissioners on June 28, 2012.

“Defeasance Obligations” means direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America. Defeasance Obligations may not be subject to prepayment.

“Escrow Agent” the entity serving as escrow agent under this Escrow Agreement, which is The Bank of New York Mellon Trust Company, N.A. on the date of this Escrow Agreement.

“Escrow Agreement” means this Escrow Agreement, as it may be amended and supplemented.

“Escrow Default” means the events described in Section 9.1 of this Escrow Agreement.

“Financing Agreement” means the Financing Agreement for the financing and refinancing of the Projects which is dated as of September 6, 2012 and is signed by the Escrow Agent and the County, as it may be amended and supplemented.

“Financing Default” means any event described in Section 5.1 of the Financing Agreement.

“Financing Payments” mean the payments of principal and interest which the County is required to make under Section 3.2(B) of the Financing Agreement to repay the Financing Amount, and any prepayments of the Financing Amount (including accrued interest on the prepaid Financing Amount).

“Fiscal Year” means each year beginning on July 1, and ending on the following June 30.

“Obligation Register” means the records kept for the registration of Obligations by the Escrow Agent pursuant to Section 2.7 below.

“Obligations” means the Full Faith and Credit Refunding Obligations, Series 2012, which are authorized by Section 2.1 below.

“Order” means the County’s Order No. 2012-71 adopted by the Board of County Commissioners on June 28, 2012.

“Outstanding” means, when used as of any particular time with respect to Obligations, all Obligations theretofore executed by the Escrow Agent and registered and delivered by the Escrow Agent under this Escrow Agreement except:

i) Obligations previously canceled by the Escrow Agent or surrendered to the Escrow Agent for cancellation;

ii) Obligations which have been defeased pursuant to Section 11.1 of this Escrow Agreement; and,

iii) Obligations in lieu of or in exchange for which other Obligations have previously been executed and delivered by the Escrow Agent pursuant to Section 2.5 below.

“Owner” means the person in whose name an Outstanding Obligation is registered, as shown in the Obligation Register.

“Payment Account” means the Full Faith and Credit Refunding Obligations Payment Account established pursuant to Section 3 below.

“Payment Date” means the date upon which any Financing Payment is due and payable, as provided in Section 3.2(B) of the Financing Agreement, or the date on which any Financing Payment will be prepaid in accordance with this Escrow Agreement and the Financing Agreement.

“Projects” means the projects financed or refinanced with the County’s Full Faith and Credit Obligations, Series 2003 and the County’s Full Faith and Credit Obligations, Series 2004, and costs related to the financing.

“Qualified Institution” means an institution which maintains a head office or a branch in the State of Oregon, the deposits of which are insured under the provisions of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1811, et seq).

“Qualified Investments” means the investments in which the County may invest surplus funds under the laws of the State of Oregon, including ORS 294.035 and 294.040, as amended.

“Special Counsel” means Hawkins Delafield & Wood LLP, or other counsel nationally recognized for its expertise in municipal finance, that is appointed by the County.

## **1.2 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 Escrow Agreement.

## **1.3 Recitals.**

1.3(A) County’s Recitals.

(1) The County is authorized by ORS 271.390 to enter into financing agreements to finance and refinance any real or personal property that its Board of County Commissioners determines is needed.

(2) The Board of County Commissioners has determined in the Order that the Projects are needed, and has authorized execution of the Financing Agreement and this Escrow Agreement to refinance the Projects.

(3) The County enters into this Escrow Agreement to provide for the issuance of the Obligations which will be paid from the Financing Payments the County makes under the Financing Agreement.

(4) The Financing Agreement constitutes bonded indebtedness under Oregon Revised Statutes Section 287A.105.

1.3(B) The Escrow Agent recites that it has placed its rights under the Financing Agreement, including the right to receive the Financing Payments, in escrow for the benefit of the Owners of the Obligations, that it accepts its obligations under this Escrow Agreement and the Financing Agreement and has agreed to execute and deliver the Obligations evidencing proportionate interests in the Financing Payments.

**1.4 Rights Under Financing Agreement Held for Benefit of Owners.**

1.4(A) The County and the Escrow Agent hereby agree that the following rights shall be held in trust exclusively for the proportionate benefit of the Owners as provided in this Escrow Agreement:

- (1) All rights of the Escrow Agent under the Financing Agreement (except for the Escrow Agent's right to payment from Additional Charges); and,
- (2) All rights of the Escrow Agent and the County to amounts in the Payment Account.

**2. The Full Faith and Credit Refunding Obligations, Series 2012.**

**2.1 Preparation and Delivery of Obligations.**

2.1(A) The Escrow Agent is hereby authorized and directed to execute the Obligations in the aggregate principal amount of \$18,875,000. The Obligations shall be dated, shall mature on the dates and in the principal amounts, and pay interest at the rates shown in Exhibit A.

2.1(B) The Escrow Agent shall receive and accept the Obligations and will hold the Obligations under The Depository Trust Company's Fast Automated Securities Transfer (FAST) program, upon confirmation of the receipt of the proceeds of the sale of the Obligations.

**2.2 Payment of Obligations.**

2.2(A) Each Obligation represents an ownership interest in and a right to receive:

- (1) a proportionate share of a specified principal component of the Financing Payments, plus
- (2) a proportionate share of the Financing Payments allocable to the interest paid on that specified principal component.

2.2(B) The County shall pay the Financing Payments to the Escrow Agent in immediately available funds as provided in the Financing Agreement. The Escrow Agent shall credit the Financing Payments to the Payment Account and transfer the Financing Payment to the Owners as provided in this Escrow Agreement.

**2.3 Book-Entry Only System.**

2.3(A) The Obligations shall be initially executed and delivered as a book-entry only security issue with no Obligations being made available to the Owners in accordance with the Blanket Issuer Letter of Representations the County has filed with The Depository Trust Company. While the Obligations are in book-entry form, the Obligations shall be subject to the rules and procedures of The Depository Trust Company.

2.3(B) If The Depository Trust Company ceases to act as depository for the Obligations the County will request the Escrow Agent to, and the Escrow Agent and the County shall, amend

this 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 this 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.

2.3(C) While the Obligations are in book entry form, the County and the Escrow Agent shall have no responsibility or obligation to any participant or correspondent of the depository or to any beneficial owner for:

- (1) the accuracy of the records of the depository, its nominee or any participant, correspondent or beneficial owner with respect to any ownership interest in the Obligations;
- (2) the delivery to any participant, correspondent, beneficial owner or any other person, other than an Owner as shown in the registration books maintained by the Escrow Agent, of any notice with respect to the Obligations, including any notice of prepayment;
- (3) the selection by the depository of the beneficial interest in Obligations to be prepaid if the County prepays the Obligations in part; or
- (4) the payment to any participant, correspondent, or any other person other than the Owner of the Obligations as shown in the registration books maintained by the Escrow Agent, of any amount with respect to principal, premium, if any, or interest with respect to the Obligations.

2.3(D) Notwithstanding the book-entry-only system, the County may treat the Owner of an Obligation as the absolute owner of that Obligation for all purposes, including the payment of principal, premium, if any, and interest with respect to such Obligation, or for giving notices of redemption and other matters with respect to such Obligation, or for registering transfers with respect to such Obligation. The Escrow Agent shall pay or cause to be paid all principal, premium, if any, and interest with respect to the Obligations only to or upon the order of the Owners and all such payments shall be valid and effective to fully satisfy and discharge the County's obligation with respect to payment thereof to the extent of the sum or sums so paid. Interest on the Obligations shall cease to accrue on the earlier of their final maturity date or the date they are prepaid.

**2.4 Form of Obligations.**

The Obligations shall be executed and delivered in fully registered form in denominations of \$5,000 or any integral multiple thereof within a single maturity. The Obligations and the form of assignment shall be substantially in the form set forth in Exhibit B. The Escrow Agent shall select the numbering for the Obligations.

**2.5 Execution.**

The Obligations shall be executed by and in the name of the Escrow Agent by the manual or facsimile signature of an authorized officer of the Escrow Agent; if an Obligation is executed by facsimile signature of the Escrow Agent it shall be authenticated by manual signature of an

authorized officer of the Escrow Agent. Only Obligations which are substantially in the form set forth in Exhibit B and which have been manually executed or authenticated by the Escrow Agent shall be valid for any purpose or entitled to the benefits of this Escrow Agreement.

**2.6 Execution of Documents.**

The Escrow Agent may accept any evidence of execution of documents by Owners which the Escrow Agent reasonably deems sufficient. Any request or consent of the Owner of any Obligation shall bind every future Owner of the same Obligation.

**2.7 Obligation Register.**

The Escrow Agent will maintain the Obligation Register, and shall record the registration and transfer of all Obligations in the Obligation Register. The Obligation Register shall at all times during regular business hours be open to inspection by the County upon reasonable notice.

**2.8 Redemption.**

The Obligations shall be redeemed by the Escrow Agent from prepayments of Financing Amounts as provided in this section.

2.8(A) Optional Redemption. The Obligations maturing in years 2013 through 2022, inclusive, are not subject to prepayment prior to their respective payment dates. The Obligations maturing on June 1, 2023 and on any date thereafter are subject to prepayment at the option of the County prior to their stated maturity dates at any time on or after June 1, 2022, as a whole or in part, and if in part, with maturities to be selected by the County and by lot within a CUSIP at a price of par, plus accrued interest, if any, to the date of prepayment.

2.8(B) Mandatory Redemption.

The Term Obligation stated to mature on June 1, 2028 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount (\$)</u>
<u>2027</u>	<u>985,000</u>
<u>2028*</u>	<u>1,045,000</u>
<small>*Final maturity</small>	

The Term Obligation stated to mature on June 1, 2031 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount (\$)</u>
<u>2030</u>	<u>1,180,000</u>
<u>2031*</u>	<u>1,250,000</u>
<small>*Final maturity</small>	

The Term Obligation stated to mature on June 1, 2033 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount (\$)</u>
<u>2032</u>	<u>1,325,000</u>
<u>2033*</u>	<u>1,405,000</u>
<small>*Final maturity</small>	

A Term Obligation subject to optional prepayment and redeemed in part will have the principal amount within the respective mandatory prepayment dates selected by the County and communicated to the Escrow Agent in writing by the County.

2.8(C) Notice of Prepayment. The County shall give notice of prepayment of Financing Payments to the Escrow Agent not later than 5 days before the notice of prepayment is required to be made.

**2.9 Conditional Redemption.**

Any notice of optional redemption given for the Obligations pursuant to Section 2.8(A) herein may state that the optional redemption is conditional upon receipt by the Escrow Agent 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 Escrow Agent to affected owners of the Obligations as promptly as practicable.

**2.10 Notice of Redemption.**

Unless the book-entry-only system is discontinued, notice of any call for redemption shall be given as required by the Blanket Issuer Letter of Representations to The Depository Trust Company. If sufficient moneys are deposited with the Escrow Agent on the redemption date, interest on any Obligations so called for redemption shall cease on the redemption date designated in the notice. Unless the Depository Trust Company consents to a shorter period, the Escrow Agent will notify The Depository Trust Company of any Obligations called for redemption no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption. If the book-entry-only system is discontinued, notice of redemption shall be given under the system established by the County pursuant to Section 2.3(B) herein.

**3. Accounts.**

**3.1 Payment Account.**

The Escrow Agent shall establish the Payment Account separate and apart from all other funds and moneys held by it and shall administer and maintain the Payment Account as provided in this Escrow Agreement.

3.1(A) To secure the payment of the Financing Payments, one Business Day preceding the Payment Date, the County shall transfer the deposits described in Section 3.2(C) of the Financing Agreement to the Escrow Agent. The Escrow Agent shall credit these deposits to the Payment Account.

3.1(B) On each Payment Date the Escrow Agent shall withdraw from the Payment Account and transfer to Owners an amount equal to the principal and interest components of the Financing Payment due and payable on such Payment Date.

3.1(C) If on any Payment Date, the amount of the Financing Payment then due and payable exceeds the amounts deposited with the Escrow Agent and available therefor, the Escrow Agent shall distribute the amounts available:

(1) First, to the Owners of the interest components of the Financing Payments which are then due (and if the amount available is not sufficient to pay in full all the interest components of the Financing Payment then due, then ratably to the Owners entitled to the interest payments then due, without any discrimination or preference); and,

(2) Second, to the Owners of the principal components of the Financing Payments which are then due (and if the amount available is not sufficient to pay all principal components which are then due, then ratably to the Owners entitled to the principal components which are then due, without discrimination or preference).

3.1(D) The Escrow Agent shall provide the County, not less than 30 days before the date the deposit is required under Section 3.2(C) of the Financing Agreement, an invoice which sets forth the amount of that deposit.

3.1(E) Any surplus remaining in the Payment Account after payment of the Financing Payment and all Outstanding Obligations and payment of any unpaid Additional Charges, shall be remitted to the County.

3.1(F) Any surplus remaining in the Payment Account after payment of a Financing Payment shall be retained in the Payment Account and invested by the Escrow Agent as provided in Section 4.2 herein.

### **3.2 Additional Charges.**

If the Escrow Agent receives Additional Charges pursuant to the Financing Agreement, the Escrow Agent shall apply those payments for the purposes indicated in the Financing Agreement.

### **3.3 Deposits at Closing.**

The proceeds of the Obligations shall be transferred by Guggenheim Securities, LLC, the initial purchaser of the Obligations, pursuant to the Closing Memorandum prepared by the County's financial advisor, Seattle-Northwest Securities Corporation.

## **4. Payment Account Held in Trust; Investment.**

### **4.1 Moneys and Investments Held in Trust.**

The moneys and investments held by the Escrow Agent under this Escrow Agreement are irrevocably held in trust for the purposes herein specified, and such moneys and any other income or interest earned thereon shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the County, the Escrow Agent or any Owner.

### **4.2 Investments Authorized.**

4.2(A) Moneys held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent in Qualified Investments selected by the County. The County shall notify the Escrow Agent of its investment selections in writing. If the County fails to provide investment direction to the Escrow Agent in accordance with this Section 4.2, the Escrow Agent shall hold funds uninvested. Amounts may be invested in an account of the Escrow Agent while the Escrow Agent is a Qualified Institution. The Escrow Agent shall have no duty to determine whether an investment selected by the County is a Qualified Investment and may rely conclusively on the County's written direction as to the suitability and legality of such investment.

4.2(B) Qualified Investments in the Payment Account shall mature on or before the date the amounts invested are required for use under this Escrow Agreement. The Escrow Agent shall not be liable for any gain or loss of funds on any investment made in accordance with the instructions from the County.

4.2(C) The Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 4.2, and shall be entitled to its reasonable fee therefor. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available. The Escrow Agent may act as purchaser or agent in the making or disposing of any investment.

4.2(D) The County acknowledges that to the extent that regulations of the Comptroller of the Currency grant the County the right to receive brokerage confirmations of security transactions, the County waives receipt of such confirmations and shall rely on periodic statements of the account provided by the Escrow Agent.

### **4.3 Accounting.**

The Escrow Agent shall furnish to the County, semi-annually, an accounting of each fund and account and of all investments made by the Escrow Agent. Except as provided in Section 5.6 below, the Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Escrow Agreement.

#### **4.4 Allocation of Earnings.**

Interest earnings and investment income on moneys held by the Escrow Agent shall inure to the benefit of the County, but shall be held by the Escrow Agent for application as provided in this Escrow Agreement and the Financing Agreement. Any interest or investment income earned on moneys deposited in the Payment Account shall be credited to the Payment Account.

#### **4.5 Disposition of Investments.**

The Escrow Agent may sell at the then current market price, or present for prepayment, any Qualified Investment so purchased by the Escrow Agent whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Payment Account, and, except as provided in Section 5.6 below, the Escrow Agent shall not be liable or responsible for any loss resulting from such investment. The County may instruct the Escrow Agent at any time to sell any Qualified Investment which may be sold at a profit; proceeds of such sale shall be deposited in the account to which the Qualified Investment was credited.

#### **4.6 Deposit and Investment of Moneys in Accounts.**

The Escrow Agent may commingle any of the funds held by it pursuant to this Escrow Agreement in a separate fund or funds for investment purposes; provided, however, that all funds or accounts held by the Escrow Agent hereunder shall be accounted for separately notwithstanding any commingling by the Escrow Agent.

### **5. The Escrow Agent.**

#### **5.1 Compensation of the Escrow Agent.**

The County shall from time to time pay to the Escrow Agent reasonable compensation for its services and will pay or reimburse the Escrow Agent upon its request for all reasonable expenses, disbursements and advances made by the Escrow Agent in accordance with the provisions of this Escrow Agreement (including the reasonable expenses and disbursements of its counsel and agents), except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Escrow Agent shall also be entitled to receive reasonable extraordinary fees and its reasonable extraordinary expenses if it is requested or required to render services in connection with a default or under other circumstances not provided for in this Escrow Agreement.

#### **5.2 Removal of Escrow Agent.**

5.2(A) The Escrow Agent may be removed and a successor Escrow Agent appointed:

(1) by the County at any time if, in the good faith opinion of the County, expressed in writing and delivered to the Escrow Agent and the successor Escrow Agent, it would not be materially adverse to the interests of the Owners of the Obligations that the Escrow Agent be removed and a successor Escrow Agent appointed, or

(2) at any time by written demand thereof filed with the Escrow Agent and the successor Escrow Agent by the Owners of a majority in aggregate principal amount of all Obligations Outstanding. Such removal shall become effective upon acceptance of appointment by the successor Escrow Agent.

5.2(B) Any successor Escrow Agent appointed pursuant to the provisions of this Section 5.2(B) shall:

(1) be a trust company, national banking association or bank in good standing, duly authorized to exercise trust powers and subject to examination by federal or state authority;

(2) have substantial prior experience as a Escrow Agent for the benefit of the owners of municipal debt securities; and,

(3) shall be a bank, national banking association or trust company having (either singly or together with its parent holding company) a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars (\$75,000,000) and subject to supervision or examination by federal or state authority.

#### **5.3 Resignation of Escrow Agent.**

5.3(A) The Escrow Agent or any successor may at any time resign by giving written notice to the County and by giving notice by first class mail to the Owners as of the date such notice is mailed of its intention to resign and of the proposed date of resignation, which shall be a date not less than 60 days after the mailing of such notice, unless an earlier resignation date and the appointment of a successor Escrow Agent shall have been or are approved by the Owners of a majority in aggregate dollar amount of the Obligations then Outstanding.

5.3(B) Upon receiving such notice of resignation, the County shall promptly appoint a successor Escrow Agent by an instrument in writing; provided, however, that if the County fails to appoint a successor Escrow Agent within 30 days following receipt of such written notice of resignation, the Owners of a majority in aggregate principal amount of all Obligations Outstanding may appoint a successor Escrow Agent and if the Owners fail to appoint a successor Escrow Agent, within 30 days following the expiration of such initial 30-day period, the resigning Escrow Agent may petition the appropriate court having jurisdiction to appoint a successor Escrow Agent.

5.3(C) Notwithstanding any other provision of this Escrow Agreement, no removal, resignation or termination of the Escrow Agent shall take effect until a successor shall be appointed.

#### **5.4 Merger or Consolidation.**

A merger or consolidation of the Escrow Agent with another entity, or a sale of all or substantially all of the Escrow Agent's corporate trust business to another entity, shall not be treated as the appointment of a successor, and the entity into which the Escrow Agent is merged or consolidated shall become the successor Escrow Agent without any notice or filing, but only if: the merged or consolidated entity notifies the County that it has assumed the obligations of

the Escrow Agent under this Escrow Agreement and the Financing Agreement, and the merged or consolidated or purchasing, entity meets the requirements of Section 5.2(B) above.

#### **5.5 Acceptance of Appointment by Successor Escrow Agent.**

5.5(A) Any successor Escrow Agent appointed as provided in Section 5.3 or Section 5.4 above shall execute, acknowledge and deliver to the County and to its predecessor Escrow Agent an instrument accepting its appointment, and the appointment shall take effect on execution of that acceptance. Upon request of any successor Escrow Agent, the County and the prior Escrow Agent shall execute any documents the successor Escrow Agent may reasonably require to confirm its rights and powers under this Escrow Agreement and the Financing Agreement.

5.5(B) Upon acceptance of appointment by a successor Escrow Agent as provided in this Section 5.5, the successor Escrow Agent shall mail, first class, postage prepaid, notice of its appointment to the Owners.

#### **5.6 Duties and Responsibilities of the Escrow Agent Prior to and During Default.**

5.6(A) The Escrow Agent undertakes, prior to the occurrence of an Escrow Default and after the curing or waiving of all Events of Default which may have occurred, to perform such duties and only such duties as are specifically set forth in this Escrow Agreement. In case any Escrow Default has occurred (which has not been cured or waived) the Escrow Agent shall exercise such of the rights and powers vested in it by this Escrow Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of that person's own affairs.

5.6(B) No provision of this Escrow Agreement shall be construed to relieve the Escrow Agent from liability for its own negligent action, its negligent failure to act or its own willful misconduct, except that:

(1) Prior to the occurrence of an Escrow Default and after the curing or waiving of all Events of Default which may have occurred, the duties and obligations of the Escrow Agent shall be determined solely by the express provisions of this Escrow Agreement, and the Escrow Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Escrow Agreement, and no covenants or obligations shall be implied into this Escrow Agreement adverse to the Escrow Agent;

(2) The Escrow Agent shall not be liable for any error of judgment made in good faith by a responsible officer of the Escrow Agent, unless it shall be proved that the Escrow Agent was negligent in ascertaining the pertinent facts;

(3) The Escrow Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Obligations at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Escrow Agent, or exercising any trust or power conferred upon the Escrow Agent, under this Escrow Agreement; and

(4) No provision contained in this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur liability in the performance of any of its duties or the exercise of any of its rights or powers, if there is reasonable ground for the Escrow Agent's believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

5.6(C) The Escrow Agent may execute any of the duties or powers hereof and perform any of its duties by and through attorneys, agents, receivers or employees and shall not be responsible for the acts or omissions of attorneys, agents, or receivers not affiliated with the Escrow Agent if (a) selected with reasonable care, and (b) the County is a third party beneficiary to the Escrow Agent's arrangements with such attorneys, agents, receivers or employees, the Escrow Agent shall be entitled to advice of counsel concerning all matters or duties hereunder, and may in all cases pay such reasonable compensation to such attorneys, agents, receivers and employees as may reasonably be employed in connection with the duties hereof. The Escrow Agent may act upon the opinion or advice of any attorney, approved by the Escrow Agent in the exercise of reasonable care. The Escrow Agent shall not be responsible for any loss or damage resulting from any action or non-action in good faith and reliance upon such opinion or advice.

#### **5.7 Protection and Rights of the Escrow Agent.**

5.7(A) The Escrow Agent shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Escrow Agreement, and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Escrow Agent may consult with counsel, who may be counsel to the County, with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

5.7(B) Whenever in the administration of its duties under this Escrow Agreement, the Escrow Agent shall deem it necessary or desirable that a matter be provided or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of a County Official and such certificate shall be full warranty to the Escrow Agent for any action taken or suffered under the provisions of this Escrow Agreement upon the faith thereof, but in its discretion the Escrow Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

5.7(C) The Escrow Agent may become the Owner of Obligations with the same rights it would have if it were not the Escrow Agent; may acquire and dispose of other certificates or evidences of indebtedness of the County with the same rights it would have if it were not the Escrow Agent; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights

of Owners, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Obligations then Outstanding.

5.7(D) The recitals, statements and representations by the County contained in this Escrow Agreement and in the Obligations shall be taken and construed as made by and on the part of the County, as the case may be, and not by the Escrow Agent, and the Escrow Agent does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof. The Escrow Agent shall have no responsibility with respect to any information, statement, or recital in an offering memorandum, official statement or other disclosure material prepared or distributed with respect to Obligations.

5.7(E) The Escrow Agent may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Escrow Agent shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

5.7(F) The Escrow Agent shall not be accountable for the use or application by the County of any of the Obligations or the proceeds thereof or for the use or application of any money paid over by the Escrow Agent in accordance with the provisions of this Escrow Agreement.

5.7(G) The permissive right of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as a duty and the Escrow Agent shall not be answerable for other than its negligence or willful default.

5.7(H) The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the County elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent acts upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The County agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

5.7(I) The Escrow Agent shall not be deemed to have knowledge of any Escrow Default of the type described in Section 9.1(B) and 9.1(C) or Financing Default unless and until it shall have actual knowledge thereof by receipt of written notice thereof at its corporate trust office.

## **5.8 Indemnification.**

5.8(A) To the extent permitted by law, the County covenants and agrees to indemnify and hold the Escrow Agent and its officers, directors, agents or employees harmless against any loss, claim, cost, suit, judgment, expense or liability which it may incur arising out of or in the exercise or performance of its duties and powers hereunder, including without limitation, legal fees and expenses and any other costs and expenses of defending against any claim or liability, or enforcing any of the rights or remedies granted to it under the terms of this Escrow Agreement, excluding any losses or expenses which are due to the Escrow Agent's breach of fiduciary duties, negligence or willful misconduct. The obligations of the County under Section 5.1 and this Section 5.8 shall survive the resignation or removal of the Escrow Agent under this Escrow Agreement and the payment of the Obligations and discharge under this Escrow Agreement. The damages claimed against the County shall not exceed the damages which may be allowed under the Oregon Tort Claims Act, Oregon Revised Statutes Section 30.260, et seq., unless the provisions and limitations of such act are preempted by federal law, including, but not limited to the federal securities laws.

5.8(B) Before taking any action under Article 5, Article 9, Section 9.2 and Section 9.3 hereof or Section 5.3 of the Financing Agreement, the Escrow Agent may require payment of its fees and expenses, including reasonable attorney's fees, and upon receipt of indemnity satisfactory to it be furnished by Owners of the Obligations for the reimbursement of all further expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

## **6. Concerning the Obligation Owners.**

### **6.1 Evidence of Action Taken by Owners.**

Whenever in this Escrow Agreement it is provided that the Owners of a specified percentage in aggregate principal amount of the Outstanding Obligations may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Owners of such specified percentage have joined therein may be evidenced:

6.1(A) by any instrument or any number of instruments of similar tenor executed by Owners in person or by agent or proxy appointed in writing, or

6.1(B) by the record of the Owners voting in favor thereof at any meeting of Owners, or

6.1(C) by a combination of such instrument or instruments and any such record of such a meeting of Owners.

### **6.2 Action Taken by Owners Irrevocable.**

Any consent to the taking of any action by any Owner of an Outstanding Obligation shall be irrevocable and shall be conclusive and binding upon such Owner and upon all future Owners of such Obligation and of any Obligation executed and delivered in exchange or substitution

therefor, irrespective of whether or not any notation and regard thereto is made upon such Obligation. Any action taken by the Owners of the percentage in aggregate principal amount of the Outstanding Obligations specified in this Escrow Agreement in connection with such action shall be conclusive and binding upon the County, the Escrow Agent and the Owners of all the Obligations.

### **6.3 Certain Obligations Disregarded.**

In determining whether the Owners of the requisite aggregate principal amount of Obligations have concurred in any direction or consent under this Escrow Agreement, Obligations which are owned by the Escrow Agent or the County or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Escrow Agent or the County shall be disregarded and treated as though they were not Outstanding for the purpose of any such determination; provided that for the purposes of determining whether the Escrow Agent shall be protected in relying on any such direction or consent, only Obligations which the Escrow Agent knows are so owned shall be so disregarded. Obligations so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 6.3, if the pledgee shall establish to the satisfaction of the Escrow Agent the pledgee's right to vote such Obligations and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Escrow Agent or the County. In case of a dispute as to such right, any decision by the Escrow Agent taken upon the advice of counsel shall be full protection to the Escrow Agent. Upon request of the Escrow Agent, the County shall specify in a certificate those Obligations disqualified pursuant to this Section and the Escrow Agent may conclusively rely on such certificate

## **7. Modification of Escrow Agreement and Financing Agreement.**

### **7.1 Limitations.**

This Escrow Agreement may be modified or amended only in accordance with this Section 7.

### **7.2 Supplemental Escrow Agreement Without Consent of Owners.**

7.2(A) The County and the Escrow Agent may at any time enter into supplemental Escrow Agreements without the consent of or notice to the Owners, for the following purposes:

- (1) To cure any formal defect, omission, inconsistency or ambiguity in this Escrow Agreement or to make any other change to this Escrow Agreement, as long as the change does not, in the reasonable judgment of the County, materially and adversely affect the interests of the Owners or involve a change described in Section 7.3(A);
- (2) To grant to or confer or impose upon the Escrow Agent for the benefit of the Owners any additional rights, remedies, or powers or to amend this Escrow Agreement in any other way for the benefit of the Owners; provided that no such amendment may have, in the reasonable judgment of the County, a material and adverse effect on any Owner which has not consented to the supplemental Escrow Agreement.

7.2(B) Before the Escrow Agent and the County shall enter into any supplemental Escrow Agreement pursuant to this Section, the County shall deliver to the Escrow Agent an opinion of Special Counsel stating that the supplemental Escrow Agreement is authorized or permitted by this Escrow Agreement, complies with its terms, will, upon the execution and delivery thereof, be valid and binding upon the County in accordance with its terms, and will not adversely affect the exclusion from gross income for federal income tax purposes of interest payable on the Obligations.

7.2(C) The Escrow Agent may in its discretion, but shall not be obligated to, enter into any such amendment to this Escrow Agreement authorized by subsections 7.2 and 7.3 of this Section which materially adversely affects the Escrow Agent's own rights, duties or immunities under this Escrow Agreement.

### **7.3 Supplemental Escrow Agreement with Consent of the Owners.**

7.3(A) Any amendment to this Escrow Agreement which is not described in Section 7.2 above requires the consent of: 1) the County, 2) the Escrow Agent and 3) the consent of Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding. However, in addition to the consent of the County, the Escrow Agent, and the consent of all affected Owners of all the Obligations then Outstanding is required for:

- (1) a change in the terms of the payment or prepayment of any portion of the Financing Payment, or
- (2) the creation of a claim or lien upon, or a pledge of the rights of the Escrow Agent under the Financing Agreement (other than the Escrow Agent's right to Additional Charges) or amounts in the Payment Account ranking prior to or (except as expressly permitted by this Escrow Agreement) on a parity with the claim, lien or pledge created by this Escrow Agreement, or
- (3) the creation of a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, or
- (4) a reduction in the aggregate principal amount of Obligations the consent of the Owners of which is required for any supplemental Escrow Agreement or which is required, under Section 7.6, for any modification, alteration, amendment or supplement to the Financing Agreement.

7.3(B) If at any time the County shall request the Escrow Agent to enter into any supplemental Escrow Agreement for any of the purposes of this Section 7.3 which require Owners' consent, the Escrow Agent shall cause notice of the proposed supplemental Escrow Agreement to be given by first class mail, postage prepaid, to all affected Owners at their addresses as they appear in the Obligation Register. Such notice shall briefly set forth the nature of the proposed supplemental Escrow Agreement and shall state that a copy thereof is on file at the office of the Escrow Agent for inspection by all Owners. Within two years after the date of the first mailing, the Escrow Agent and the County may enter into such supplemental Escrow Agreement in substantially the form described in such notice, but only if there shall have first been delivered to the Escrow Agent (i) the required consents, in writing, of Owners of Obligations then

Outstanding, and (ii) an opinion of Special Counsel stating that such supplemental Escrow Agreement is authorized or permitted by this Escrow Agreement, complies with its terms, will, upon the execution and delivery thereof, be valid and binding upon the Escrow Agent and the County in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to the Obligations.

7.3(C) If the Owners of not less than the percentage of Obligations then Outstanding required by Section 7.3(A) shall have consented to and approved the execution and delivery thereof as herein provided, no Owner shall have any right to object to the execution and delivery of such supplemental Escrow Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Escrow Agent or the County from executing and delivering the same or from taking any action pursuant to the provisions thereof.

#### **7.4 Effect of Supplemental Escrow Agreement.**

Upon the execution and delivery of any supplemental Escrow Agreement pursuant to the provisions of this Section 7, this Escrow Agreement shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Escrow Agreement of the Escrow Agent, the County, and all Owners of Obligations then Outstanding shall thereafter be determined, exercised and enforced under this Escrow Agreement subject in all respects to such modifications and amendments.

#### **7.5 Amendments to Financing Agreement Not Requiring Consent of Owners.**

7.5(A) The County and the Escrow Agent may at any time enter into amendments to the Financing Agreement without the consent of or notice to the Owners for the following purposes:

(1) To cure any formal defect, omission, inconsistency or ambiguity in the Financing Agreement or to make any other change to the Financing Agreement, as long as the change does not, in the reasonable judgment of the County, materially and adversely affect the interests of the Owners or permit the termination or cancellation of the Financing Agreement or a reduction in or postponement of the Financing Payments; and,

(2) To grant to or confer or impose upon the Escrow Agent for the benefit of the Owners any additional rights, remedies, or powers or to amend the Financing Agreement in any other way for the benefit of the Owners; provided that no such amendment may have, in the reasonable judgment of the County, a material and adverse effect on any Owner which has not consented to the amended Financing Agreement.

7.5(B) Before the County shall enter into, and the Escrow Agent shall consent to, any amendment change or modification pursuant to this Section 7.5 or Section 7.6 below, there shall have been delivered to the Escrow Agent and the County an opinion of Special Counsel stating that such amendment, change or modification is authorized or permitted by this Escrow Agreement and the Financing Agreement, complies with their terms, will, upon the execution and delivery thereof, be valid and binding upon Escrow Agent and the County in accordance

with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to the Obligations.

#### **7.6 Amendments to Financing Agreement Requiring Consent of the Owners.**

7.6(A) Any amendment to the Financing Agreement which is not described in Section 7.5 requires the consent of: 1) the County, 2) the Escrow Agent and 3) the consent of Owners of not less than a majority in aggregate principal amount of the Obligations Outstanding given as provided in this Section 7.6. However, in addition to the consent of the County, the Escrow Agent, the consent of the Owners of all affected Obligations then Outstanding is required for any amendment, change or modification of the Financing Agreement that would permit the termination or cancellation of the Financing Agreement or a reduction in or postponement of the Financing Payments.

7.6(B) If at any time the County shall request the consent of the Escrow Agent to an amendment to the Financing Agreement which is not described in Section 7.5 above, the Escrow Agent shall cause notice to be given of such proposed amendment, change of modification in the same manner as provided by Section 7.3 with respect to supplemental Escrow Agreements. Such notice shall briefly set forth the nature of such proposed amendment, change or modification, and shall state that copies of the instrument embodying the same are on file at the principal office of the Escrow Agent for inspection by all Owners. The County may enter into, and the Escrow Agent may consent to, any such proposed amendment, change or modification subject to the same conditions and with the same effect as provided in Section 7.3 hereof with respect to supplemental Escrow Agreements, provided the County has obtained the opinion of Special Counsel which is described in Section 7.5 above.

### **8. Covenants.**

#### **8.1 Compliance With and Enforcement of Financing Agreement.**

8.1(A) The County covenants and agrees with the Owners of the Obligations to perform all obligations and duties imposed on it under the Financing Agreement, and to enforce such agreement against the Escrow Agent in accordance with its terms.

8.1(B) The Escrow Agent covenants and agrees with the Owners of the Obligations to perform all obligations and duties imposed on it under the Financing Agreement, and to enforce such Agreement against the County in accordance with its terms, subject to the rights of the County therein as provided in this Escrow Agreement and the Financing Agreement.

#### **8.2 Notice of Default.**

If an Escrow Default or a Financing Default occurs the Escrow Agent shall give written notice to the Owners of the Obligations then Outstanding. The notice shall specify that an Escrow Default or a Financing Default has occurred and give a brief description of the event or failure. The Escrow Agent shall give this notice by first class mail, postage prepaid, to each Owner within thirty (30) days of the Escrow Agent's actual knowledge of the event or failure. However, except for an Escrow Default described in Section 9.1(A) below, the Escrow Agent may

withhold such notice if and so long as the Escrow Agent in good faith determines that the withholding of such notice is in the interests of the Owners of Obligations. Any failure by the Escrow Agent to give this notice shall not affect any rights of Owners to take the actions described in Section 9 herein.

### **8.3 Tax Covenants.**

To maintain the exclusion from gross income for federal income tax purposes of the interest component of each Financing Payment, the County has covenanted in the Financing Agreement to comply the applicable provisions of the Code. The Escrow Agent hereby agrees to comply with any instructions received from the County in order 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 interest thereon, including any payment or defeasance thereof pursuant to the Escrow Agreement.

### **8.4 Further Assurances.**

The Escrow Agent and the County will make, execute and deliver any and all such further resolutions, instruments and assurances as the Escrow Agent may deem reasonably necessary or proper to carry out the intention or to facilitate the performance of this Escrow Agreement, and for the better assuring and confirming to the Owners of the Obligations the rights and benefits provided herein.

## **9. Events of Default.**

### **9.1 Events of Default.**

The occurrence of one or more of the following shall constitute Events of Default:

9.1(A) The County shall fail to pay any Financing Payment when due; or

9.1(B) The County shall fail to observe and perform any other covenant, condition or agreement on its part to be observed or performed 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, unless the Escrow Agent shall agree in writing to an extension of such time prior to its expiration; provided however, that 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

9.1(C) A Financing Default occurs and is continuing.

### **9.2 Remedies on Escrow Default.**

Upon the occurrence and continuance of any Escrow Default, the Escrow Agent may proceed, and upon written request of the Owners of not less than a majority in aggregate principal amount of Obligations then Outstanding, and after being indemnified to its satisfaction, shall take whatever action at law or in equity 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 this 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 this Escrow Agreement or in aid of the exercise of any power granted in this Escrow Agreement or for the enforcement of any other legal or equitable right vested in the Escrow Agent by this Escrow Agreement or by law. However, the Financing Amount and the Financing Payments shall not be subject to acceleration.

### **9.3 No Remedy Exclusive.**

No remedy herein conferred upon or reserved to the Escrow Agent is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Escrow Agreement to the Escrow Agent, or given under the Financing Agreement to the Escrow Agent and assigned hereunder to the Escrow Agent, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Escrow Agent to exercise any remedy reserved to it, it shall not be necessary to give any notice other than such notice as may be required in this Section 9 or by law.

### **9.4 Waiver.**

The Owners of fifty-one (51%) percent or more of the principal amount of Obligations then Outstanding may waive any Event of Default and its consequences, except an Event of Default as described in Section 9.1(A).

### **9.5 No Additional Waiver Implied by One Waiver.**

If any agreement contained in this Escrow Agreement should be breached by a party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

### **9.6 Application of Moneys Upon Default.**

If, at any time after an Escrow Default or a Financing Default has occurred, the moneys in the Payment Account shall not be sufficient to pay the Financing Payments as the same become due and payable, such moneys together with any moneys available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for herein or otherwise, shall be applied by the Escrow Agent as follows:

9.6(A) **First:** To the payments of costs, expenses and fees, and reasonable compensation of the Escrow Agent, its agents and attorneys, and all expenses and liabilities incurred and advances made by the Escrow Agent;

9.6(B) **Second:** To the payment to the Owners of the interest components of the Financing Payments which are then due, and, if the amount available is not sufficient to pay in full all the

interest components of the Financing Payment then due, then ratably to the Owners entitled to the interest payments then due, without any discrimination or preference;

9.6(C) **Third:** To the payment to the Owners of the principal components of the Financing Payment which are then due, and, if the amount available shall not be sufficient to pay all principal components which are then due, then ratably to the Owners entitled to the principal components which are then due, without discrimination or preference; and,

9.6(D) **Fourth:** To the County, but only if the Obligations are no longer Outstanding and all Additional Charges have been paid.

### **9.7 Action by Owners.**

If the Escrow Agent fails to take any remedy available as a result of the occurrence of an Escrow Default or a Financing Default, the Owners of a majority in aggregate principal amount of Obligations then Outstanding may institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Financing Agreement or this Escrow Agreement, but only if the Owners have first made written request of the Escrow Agent to institute such action or proceedings in its own name as Escrow Agent hereunder and shall have afforded the Escrow Agent 60 days either to proceed to exercise the powers granted therein or granted under law or to institute such action, suit or proceeding in its name and unless also, the Escrow Agent shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Escrow Agent shall have refused or neglected to comply with such request within a reasonable time.

## **10. Limitation of Liability.**

### **10.1 Limited Liability of County.**

Except for the payment of Financing Payment and Additional Charges when due in accordance with the Financing Agreement, and the performance of the other covenants and agreements of the County contained in the Financing Agreement and this Escrow Agreement, the County shall have no obligation or liability to any of the other parties or to the Owners of the Obligations with respect to this Escrow Agreement or the terms, execution, delivery or transfer of the Obligations, or the distribution of the Financing Payments to the Owners by the Escrow Agent.

### **10.2 No Liability of County for Escrow Agent Performance.**

The County shall not have any obligation or liability to any of the other parties or to the Owners of the Obligations with respect to the performance by the Escrow Agent of any duty imposed upon the Escrow Agent under this Escrow Agreement.

### **10.3 No Liability of Escrow Agent for the Financing Payment by County.**

The Escrow Agent (except as provided herein) shall not have any obligation or liability to the Owners of the Obligations with respect to the payment of the Financing Payments by the County

when due, or with respect to the performance by the County of any other covenant made by the County in this Escrow Agreement or the Financing Agreement.

### **10.4 Opinion of Counsel; Experts.**

10.4(A) Before being required to take any action after or in connection with an Escrow Default or a Financing Default, the Escrow Agent may require an opinion of independent counsel acceptable to the Escrow Agent, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Escrow Agent shall be absolutely protected in relying thereon.

10.4(B) If an Escrow Default occurs or a dispute arises under this Escrow Agreement or the Financing Agreement, the Escrow Agent may employ as its agents, attorneys at law, certified public accountants and recognized authorities in their fields (who are not employees of the Escrow Agent), as it may reasonably deem necessary to carry out any of its obligations hereunder. The County shall reimburse the Escrow Agent for its reasonable expenses in so doing.

10.4(C) The Escrow Agent may consult with counsel and the written advice of such counsel or any opinion of counsel shall be full and complete authorizations and protection in respect to any action taken or not taken by the Escrow Agent hereunder in good faith and in reliance thereon.

### **10.5 Limitation of Rights to Parties and Owners.**

Nothing in this Escrow Agreement or in the Obligations expressed or implied is intended or shall be construed to give any person other than the County, the Escrow Agent and the Owners of the Obligations, any legal or equitable right, remedy or claims under or in respect of this Escrow Agreement; all covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the County, the Escrow Agent and the Owners.

## **11. Miscellaneous.**

### **11.1 Defeasance.**

11.1(A) All or any portion of the Outstanding Obligations may be defeased, and deemed paid and discharged by irrevocably depositing with the Escrow Agent or an independent escrow agent, in trust, money and Defeasance Obligations 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 on 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 any Obligations to be includable in gross income under the Code.

11.1(B) All obligations of the Escrow Agent and the County under this Escrow Agreement with respect to Obligations which are defeased in accordance with Section 11.1(A) shall cease

and terminate, except for the obligation of the County to pay the Additional Charges specified in Section 3.2(E) of the Financing Agreement and the Escrow Agent to apply the amounts deposited in trust to pay the Financing Payments and the defeased Obligations.

11.1(C) The Escrow Agent shall, so long as any Obligations remain Outstanding, keep complete and accurate records of all moneys received and disbursed under this Escrow Agreement, which shall be available for inspection by the County and any Owner, or the agent of any of them, at any time during reasonable business hours upon reasonable notice. Upon written notice, the Escrow Agent shall promptly make such records available to the County, any Owner, or their respective auditors and other representatives, and shall cooperate with them in auditing and reproducing the records.

#### **11.2 Notices.**

11.2(A) All written notices to be given under this Escrow Agreement to any party to this Escrow Agreement shall be given via electronic or by facsimile or by regular mail to the following addresses (unless the addressee has previously notified the other party in writing of a change in address):

To the Escrow Agent at:  
The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, 4th Floor  
Los Angeles, CA 90071  
Attention: Corporate Trust Services  
Fax: 213-630-6442

To the County at:  
Clackamas County  
2051 Kaen Road  
Oregon City, OR 97045  
Attention: Finance Director  
Fax: 503-742-5401

11.2(B) Any such notice shall be deemed given if sent via electronic or by facsimile or deposited in the United States mail with postage pre-paid.

#### **11.3 Governing Law.**

This Escrow Agreement shall be construed and governed in accordance with the laws of the State of Oregon. Any action regarding this Escrow Agreement or the transactions contemplated hereby shall be brought in an appropriate court for the State of Oregon in Clackamas County, Oregon.

#### **11.4 Partial Invalidity.**

Any provision of this Escrow Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate any remainder of this Escrow Agreement.

#### **11.5 Binding Effect; Successors.**

This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Escrow Agreement any party hereto is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all covenants and agreements contained in this Escrow Agreement by or on behalf of any party hereto shall bind and inure to the benefit of the successors and assigns thereof whether so expressed or not.

#### **11.6 Execution in Counterparts.**

This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute the same agreement.

#### **11.7 Destruction of Canceled Obligations.**

Whenever in this Escrow Agreement provision is made for the surrender to or cancellation by the Escrow Agent and the delivery to the Escrow Agent of any Obligations, the Escrow Agent may, upon the request of the Escrow Agent's representative, in lieu of such cancellation and delivery, destroy such Obligations and deliver a certificate of such destruction to the County.

#### **11.8 Headings.**

The headings, titles and table of contents in this Escrow Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Escrow 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 Escrow Agreement.

[The remainder of this page is left blank intentionally.]

This Escrow Agreement is executed by its parties as of September 6, 2012.

**The Bank of New York Mellon Trust Company,  
N.A.,** as Escrow Agent

\_\_\_\_\_  
Authorized Officer

**Clackamas County, Oregon**

\_\_\_\_\_  
County Official

**EXHIBIT A  
(Maturity Schedule)**

Aggregate original principal amount of Obligations: \$18,875,000

Date of Obligations: September 6, 2012

Obligation interest is payable on June 1 and December 1 of each year, commencing December 1, 2012.

<u>Maturity Date (June 1)</u>	<u>Maturity Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>CUSIP No. (Base 178890)</u>
2013	200,000	2.500	KB4
2014	320,000	2.500	KC2
2015	585,000	2.500	KD0
2016	630,000	2.500	KE8
2017	675,000	2.500	KF5
2018	710,000	4.000	KG3
2019	770,000	5.000	KH1
2020	835,000	5.000	KJ7
2021	910,000	5.000	KK4
2022	985,000	5.000	KL2
2023	1,060,000	4.000	KM0
2024	1,135,000	4.000	KN8
2025	845,000	4.000	KP3
2026	915,000	4.000	KQ1
2029	1,110,000	3.000	KT5
2028*	2,030,000	3.000	KS7
2031*	2,430,000	3.000	KV0
2033*	2,730,000	3.125	KX6

\* Term Obligation subject to mandatory redemption.

**EXHIBIT B  
(Form of Obligation)**

No. R-\_\_\_

\$ \_\_\_\_\_

**Full Faith and Credit Obligation, Series 2012**  
Evidencing a Proportionate Interest of the Owner Hereof  
in Financing Payments to be Made Under a Financing Agreement Between  
**Clackamas County, Oregon, as Borrower**  
and  
**The Bank of New York Mellon Trust Company, N.A., as Escrow Agent**

**Dated Date:** September 6, 2012

**Interest Rate Per Annum:** \_\_\_%

**Maturity Date:** June 1, \_\_\_\_\_

**CUSIP Number:** 178890\_\_\_\_\_

**Registered Owner:** ----Cede & Co.----

**Principal Amount:** ----\_\_\_\_\_ Dollars----

This is to certify that the Registered Owner named above (the "Owner") of this Obligation is the owner of a proportionate and undivided interest in and right to receive a portion of the principal component of the Financing Payment due on the Maturity Date named above under and as defined in the Financing Agreement dated as of September 6, 2012, relating to this Obligation (the "Financing Agreement") by and between The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent") and Clackamas County, Oregon (the "County"). Interest on this Obligation is payable on June 1 and December 1 of each year until maturity, commencing December 1, 2012, at the Interest Rate Per Annum set forth above. Payment of principal and interest shall be made to the Owner hereof as the Owner's name appears on the registration books of the County maintained by the Escrow Agent, as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable payment date. For so long as this Obligation is subject to a book-entry-only system, principal and interest payments shall be paid to the nominee of the securities depository for this Obligation. On the date of issuance of this Obligation, the securities depository for this Obligation is The Depository Trust Company, New York, New York, and Cede & Co. is the nominee of The Depository Trust Company. Such payment shall be made payable to the order of "Cede & Co."

This Obligation is one of the Full Faith and Credit Refunding Obligations, Series 2012 (the "Obligations"), executed and delivered by the Escrow Agent pursuant to an Escrow Agreement dated as of September 6, 2012, (the "Escrow Agreement") by and between the Escrow Agent and the County. The Financing Agreement and the Escrow Agreement (copies of which are on file with the Escrow Agent) state the terms on which the Obligations are delivered, and the rights thereunder of the Owners of the Obligations, the rights, duties and immunities of the Escrow Agent and the rights and obligations of the County under the Financing Agreement. The provisions of the Escrow Agreement and the Financing Agreement are incorporated into this Obligation by reference. Capitalized terms used in this Obligation have the meanings defined for such terms in the Escrow Agreement and the Financing Agreement.

This Obligation represents an ownership interest in and a right to receive up to the Principal Amount named above, representing a proportionate share of the principal component of the Financing Payment which is due on the maturity date of this Obligation, plus a proportionate share of interest accrued on that principal component, as provided in the Escrow Agreement.

The obligation of the County to pay the Financing Payments is unconditional. The Financing Payments are payable from all legally available funds of the County, and 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.

The County is authorized to enter into the Financing Agreement pursuant to the laws of the State of Oregon and the Order. The County has entered into the Financing Agreement for the purpose of financing and refinancing the projects described in the Order, and costs related to the authorization, sale, issuance and delivery of the Obligations. The Escrow Agent has agreed to hold its rights to receive the Financing Payments in escrow for the benefit of the Owners.

The Obligations are initially issued as a book-entry-only security issue with no certificates provided to the beneficial owners. While the Obligations are in book-entry form, the Obligations shall be subject to the rules and procedures of The Depository Trust Company. Records of ownership of beneficial interests in the Obligations will be maintained by The Depository Trust Company and its participants. Any exchange or transfer of this Obligation must be registered as provided in the Escrow Agreement. Should the book-entry-only system be discontinued, the Escrow Agent shall provide all beneficial owners with executed, printed Obligations which are registered in the name of the beneficial owners, who shall each then become Owners, as provided in the Escrow Agreement.

The Obligations are subject to maturity and redemption as described in the final Official Statement for the Obligations that is dated August 22, 2012.

Unless the book-entry-only system is discontinued, notice of any call for redemption shall be given as required by the Blanket Issuer Letter of Representations to The Depository Trust Company, as referenced in the Escrow Agreement. The Obligations are subject to conditional notice of redemption as provided in the Escrow Agreement. Unless the Depository Trust Company consents to a shorter period, the Escrow Agent will notify The Depository Trust Company of any Obligations called for redemption no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption. If the book-entry-only system is discontinued, the Escrow Agent and the County shall provide for an alternative system of providing notice of redemption and such other matters as need to be updated for the Obligations that is of general acceptance in the municipal bond market. Any failure to give notice shall not invalidate the redemption of the Obligations.

Unless this Obligation is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the County or the Escrow Agent for registration of transfer, exchange or payment, and any Obligation issued is registered in the name of Cede & Co. or such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entry as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Obligation shall remain in the Escrow Agent's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Escrow Agent and The Depository Trust Company.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by The Bank of New York Mellon Trust Company, N.A., as Escrow Agent, acting pursuant to the Escrow Agreement.

The Bank of New York Mellon Trust Company, N.A.,  
as Escrow Agent

\_\_\_\_\_  
Authorized Officer

THIS OBLIGATION SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE ESCROW AGENT IN THE SPACE PROVIDED BELOW.

CERTIFICATE OF AUTHENTICATION

This is one of the \$18,875,000 aggregate principal amount of Clackamas County, Oregon, Full Faith and Credit Refunding Obligations, Series 2012, issued in accordance with the Escrow Agreement described herein.

Date of authentication: September 6, 2012.

The Bank of New York Mellon Trust Company, N.A., as Escrow Agent

\_\_\_\_\_  
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Please insert social security or other identifying number of assignee)

this Obligation and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney to transfer this Obligation on the books kept for registration thereof with the full power of substitution in the premises.

Dated: \_\_\_\_\_

-----  
NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of this Obligation in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member of Signature Guaranteed  
the New York Stock Exchange or a commercial bank or trust \_\_\_\_\_  
company (Bank, Trust Company or Brokerage Firm)

\_\_\_\_\_  
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Obligation, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM -- tenants in common
- TEN ENT -- as tenants by the entireties
- JT TEN -- as joint tenants with right of survivorship and not as tenants in common
- OREGON CUSTODIANS use the following \_\_\_\_\_ MIN
- as custodian for CUST UL OREG \_\_\_\_\_ (name of minor)
- OR UNIF TRANS MIN ACT
- under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in the list above.