

AGENDA

QLife Budget Committee Meeting

Tuesday April 27, 2010

The Dalles City Hall, Council Chambers, 313 Court Street

3:30 p.m.

1. Call to Order
2. Approval of Agenda
3. Approval of Minutes from March 23, 2010
4. Budget Message
5. Public Hearing
6. Discussion Items:
 - A. Committee Discussion of FY 2010-11 proposed budget
7. Action Items
 - A. Approval of a FY 2010-11 Budget to be forwarded to the City of The Dalles and Wasco County for review and comment.
8. Adjourn

Note: QLife Board will hold a final Public Hearing on the final budget June 22, 2010 at 3:30 pm and consider adoption of the budget following that hearing.

Minutes

QLife Budget Committee Meeting

Tuesday, March 23, 2010

Conference Room City Hall

3:30pm

Call to order

Board President Dan Ericksen called the meeting to order at 3:38pm

It was requested that people in attendance introduce themselves.

In Attendance – Board Members: Brian Ahier, Bill Lennox, Dan Ericksen

Absent: Erick Larson, Dan Spatz

Budget Committee Members: Chip Wood, Dave Karlson, Ken Farner, Ken Leibham, Jim Broehl

Staff: Nolan Young Administrator, Izetta Grossman Recording Secretary, John Amery

Technical manager

Approval of Agenda

It was moved by Broehl and seconded by Lennox to approve the agenda as presented.

Motion passed unanimously. 2 absent.

Election of Officers

Ericksen asked for nominations of officers. Ahier nominated Dan Ericksen as Chair, Karlson nominated Ahier as Secretary. Ericksen asked for other nominations, being none, he then asked for the vote to accept the slate of officers. Vote was unanimous, 2 absent.

Workshop with Board

Young reviewed the Projected Year End Financial Position of Agency and Overview of Revenues and Expenditures for FY 2010-11. More money was spent on outside maintenance this year than anticipated. Revenues are up, however Network management line item needs to be increased due to the additional work. Young recommended a larger contingency for outside plant maintenance.

Discussion of Financial Priorities Policy for FY 2010-11 – Young reported an anticipated \$100,000 to \$150,000 uncommitted revenue that could be applied to some of the priorities, as well as increase the contingency. Budget committee reviewed the list of priorities and Young conducted a paired comparison that resulted in the following list of priorities:

1-6 as presented

7. Create a reserve for future expansion, modernization, or replacement of system (31 pts)

8. Hire marketing and sales consultant to expand, promote the business (21 pts)

9. The creation of a reserve to engineer and extend fiber optic service to other parts of Wasco County (17 pts)

10. An amount to retire additional debt of the Agency not yet due (8pts)
11. The creation of a local Technology grant program for public and non-profit organizations. The rules for expenditures from this fund will be established by the Board, subject to approval of all partners to the intergovernmental agreement. (3pts)
12. Develop a reserve equal to 1 year's loan payment (\$138,000) [it was the consensus of the committee to put this item last as a placeholder for next year].

The committee recommended that Young attach a dollar figure on only 7,8,9 for fiscal year 2010-11. After much discussion, it was the consensus of the committee to recommend to the Board they set up a scholarship line item with a minimum \$1000 scholarship going to second year technology students at Columbia Gorge Community College. The committee recommended starting the program with \$2000 with the intent to ward one \$1000 scholarship; but having a second available if applications warranted. Karlson recommended that the Board ask someone with experience in scholarships to help set up the guidelines. It was suggested that Dan Spatz would have the expertise to handle this type of project.

Other Business:

Ken Leibham moved to formalize the approval of the minutes from the last meeting of 2009, that had been approved via email. Ahier seconded the motion, motion passed unanimously, 2 absent.

Next Meeting: Budget Committee April 27, 2010 3:30pm

Adjourned:

Being no further business the meeting was adjourned at 5pm

Respectfully submitted:

Izetta Grossman, Recording Sec.

Attest:

Brian Ahier Secretary

QLife Network
QualityLife Intergovernmental Agency

FISCAL YEAR 2010-11

PROPOSED BUDGET

of the

**QUALITYLIFE INTERGOVERNMENTAL
AGENCY**



A Partnership of

Wasco County, Oregon

City of The Dalles, Oregon

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Fiscal Year 2010-11

Proposed BUDGET

Presented to the QLife Budget Committee
by
QLife Budget Officer

QLife Agency, Budget Committee Members

Agency Board: President, Dan Ericksen
Vice President, Dan Spatz
Secretary/Treasurer, Erick Larson
Member, Bill Lennox
Member, Brian Ahier

Lay Members: Ken Farner
David Karlson
Kenneth Leibham
Jim Broehl
Chip Wood

Staff Support

Legal Counsel: Keith Mobley
Finance Director: City of The Dalles, Kate Mast
Administrative: City of The Dalles City Manager, Nolan Young

Agency Partners

Wasco County
City of The Dalles

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Proposed Fiscal Year 2010-11

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BUDGET MESSAGE

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Fiscal Year 2010-11

The following narrative describes the Budget Officer's budget for the Quality Life Intergovernmental Agency. The budget amounts shown here represent two funds: Operating Fund and Capital Fund. The budget documents have numbers in four columns. The QLife System has been operational since December 2003.

This budget is prepared based on the Financial Priority Policy adopted by the Agency Board for 2010. A list of those Financial Priorities follows this Budget Message. We were able to budget funding for Financial Priorities Items #1 through #9.

I. Fund #1 - Maintenance and Operation - \$: The proposed Maintenance and Operation budget is based on a fully operational system. This will be our fifth full year of operation.

A. Resources: This funds revenue primarily comes from customer-generated sources.

1. Beginning Fund Balance (\$83,913) -- This is our asset increase (revenue over expenditures). It is up this year because of increased revenue both last year and the current year.
2. User Fees (\$425,800) -- These are the charges to customers to transport data on our fiber to other locations on our system or to the NoaNet Big Eddy Point of Presence (POP), collocation in our equipment room and for dark fiber leases. The chart of page 10 shows the customer type by use. We are estimating a 17% increase in user fees based on new connection sold in the last half of the current year and continuing inquiries.
3. LSN Credits (\$66,000) -- The assistance LSN provides us to retire initial debt based on customers we provide them.
4. Connect Charges (\$2,250) - These are the fees that new customers pay to connect to our broadband system.
5. E-Rate Payment (\$60,000) -- This is the assistance that our education customers receive from a support program. We budget an expenditure of an equal amount: as when we receive this money we send it to the education agencies.

B. Expenditures:

1. Qlife is a contract operation with six primary operating contracts.
 - a. Administrative Services (\$20,000) - The City provides financial, management, and clerical services at actual cost of salary and benefits.

- b. Contractual Service County (\$5,000) – GIS System support
 - c. Outside Plant Maintenance (\$28,000) - This is for overhead maintenance work that is needed including line repair and pole work mandated by those whose poles we are connected to. Because of a City street project our costs doubled in this area so we have increased the budget \$10,000.
 - d. Legal Services - (\$6,000)
 - e. Network System Management (\$46,000) – QLife has a contract with a consulting firm to provide the following: (Because of increased activity this line item is up \$6,700.)
 - ✓ Technical maintenance of the system and its electronics;
 - ✓ Customer Service issues;
 - ✓ Sign up and connection of new customers;
 - ✓ Coordinate backbone and spur line repairs and manage the line maintenance contract;
 - ✓ Coordinate with LightSpeed Networks on Technical issues;
 - ✓ Report monthly to the QLife Board.
 - f. Engineering Services (\$12,000) – We contract with Erik Orton who has been with us from the beginning of the system for routine engineering and assistance with new customers.
2. Other Services (\$20,000) Financial Priority #8 is to “Hire marketing and Sales consultant to expand business.”
 3. Pole Contracts (\$7,600) for pole contact fees with Northern Wasco County PUD and CenturyLink. This has increased by \$1,600 for a new performance bond required by the PUD.
 4. Electronics Reserve (\$20,000) This meets Priority #3 of our Financial Priorities Policy for upgrading and replacement of the electronics of the system as needed.
 5. ROW Fee - (\$12,774) Payment of a right of way equal to 3% of customer fees.
 6. Scholarship (\$2,000) New line item this year for scholarships in the technology fields at Columbia Gorge Community College.
 7. (Transfers Out (\$326,077) - Only a portion of all fees (Transport & LSN Credits) are expended in this fund (34%). The remaining 66% is transferred to the Capital Projects Fund for current debt retirement (\$191,949) and system improvements (\$134,128).

8. Contingency (\$47,000) \$15,000 is an operating contingency. The remaining \$32,000 is to fund Board priority #4, a cash reserve approximately equaling one month of user fees.

II. Fund #2 - Capital Projects (\$445,153): The Capital Projects Fund is for debt retirement and projects for new customers and system enhancement.

A. Revenue:

1. Beginning Fund Balance (\$48,076) This includes \$42,500 to complete the remaining 25% of the redundancy and bisector projects.
2. Enterprise Zone Payments (\$50,000)- for the next 13 years QLife will receive \$50,000 from Enterprise Zone Payments. This is designated for the CRB loan payment.
3. Transfer from Operating Fund (\$326,077) – User fee to help with Debt Retirement (\$191,949) and system improvements (\$134,128).

B. Expenditures:

1. Telecom Equipment (\$50,487) \$5,000 for new customer switches and two projects held over from FY 2009-10 are in this line item.
 - a. System redundancy project (\$30,000) 25% of project remaining
 - b. WiFi hot spots (\$15,487) carry over from 2009-10
2. Outside Plant Primary (\$12,500) 25% carryover bisector strengthening project to create a full figure 8 and downtown system improvements
3. Outside Plant – Secondary (\$37,500) –
 - a. \$17,500 paid by customers for service extensions
 - b. \$20,000 Priority #6 “up to \$20,000 to assist new customers with build out of connection”
4. General Debt Payments (\$191,696) – The payment of loan principal and interest due this fiscal year on QLife loans. The Table on page 14 summarizes QLife’s debts.
5. Reserve for System Improvements (\$100,000) New item: Priority #7 “Create a reserve for future expansion, modernization or replacement of system.” During the year the Board will determine which projects it may pursue as opportunities become apparent.
6. Reserve for Expansion into Wasco County (\$20,000) New item Priority #9 Create a reserve for engineering and extension of fiber optic service to other parts of Wasco County. This year we have only budgeted enough for engineering if a construction opportunity develops we can use the

Improvement resource.

7. Contingency (\$13,717) For unforeseen needs

Future Budgets

Attached following the Debt Summaries is a ten (10) year projection based on current trends. It shows a bright future for QLife.

QUALITYLIFE NETWORK INTERGOVERNMENTAL AGENCY POLICY Financial Priorities for Fiscal Year 2010-11

Purpose:

The purpose of this policy is to establish a prioritization of expenditure of funds for the QualityLife Network Intergovernmental Agency prior to each Fiscal Year's budget preparation.

Primary objective

The primary objective is to provide general direction for the QLIFE Budget Committee in establishing the annual budget and to make public the general intentions of QLIFE in regard to potential monetary reserves of the Agency.

Section I.

Policy

It is the policy of the QLIFE Board that expenditures of revenue not *specifically* committed to another purpose through grant or loan agreements or other contractual obligations shall be budgeted in the following priority:

1. Normal maintenance and operating costs of the QLIFE Agency as determined appropriate through the budgeting process.
2. Amounts needed for annual debt retirement responsibilities of the Agency incurred through formation of the Agency or by the construction of the original plant, or any expansions of that plant.
3. Up to \$20,000 for upgrading and replacement of the electronics of the system to always maintain agreed-upon capacity for QLife customers.
4. A cash reserve or contingency equal to one month's customer billing to maintain a minimum cash balance in the operating fund.
5. Up to \$15,000 for unexpected system plant repairs or alterations.
6. Up to \$20,000 to assist new customers with build out of connection.
7. Create a reserve for future expansion, modernization, or replacement of system
8. Hire marketing and sales consultant to expand the business.
9. The creation of a reserve to engineer and extend fiber optic service to other parts of Wasco County.
10. An amount to retire additional debt of the Agency not yet due.
11. The creation of a local Technology grant programs for public and non-profit

organizations. The rules for expenditures from this fund will be established by the Board, subject to the approval of all partners to the agreement.

12. Develop a reserve equal to 1 year's loan payment (\$138,000)
 - \$46,000 for three years
 - \$34,500 for four years
 - \$27,600 for five years

Section II.

Amendment of this policy

This policy may be amended at any time by action of the Board.

Section III.

Conflict with annual budget process

If anything in this policy conflicts with the annual budget process as outlined in the Intergovernmental Agreement (IGA), the IGA will take precedence. The partners to this agreement may approve an initial budget and work scope or an amended budget and work scope that varies from this policy by an affirmative majority vote of the Boards of all partners.

Amended and approved by QLife Board March 23, 2010

Dan Ericksen, President

QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget for FY10-11
Prior Year Comparison Summary

	FY07/08 Actual	FY08/09 Actual	FY09/10 Budget	FY010/11 Proposed
Beginning Balance	89,718	158,066	245,492	131,989
Customer Fees	400,710	418,984	445,200	515,050
Other Sources	1,383,242	404,151	371,806	436,877 *
Total Resources	1,873,671	981,201	1,062,498	1,083,916
QLIFE - General Fund	347,178	474,844	492,166	591,763
QLIFE - Capital Fund	62,457	74,386	323,335	119,487
Debt Service	1,305,969	194,725	194,726	191,949
Reserves	-	-	-	120,000
Contingency	-	-	52,271	60,717
Total Expenditures	1,715,605	743,955	1,062,498	1,083,916
Ending Balance	158,066	237,246	-	-

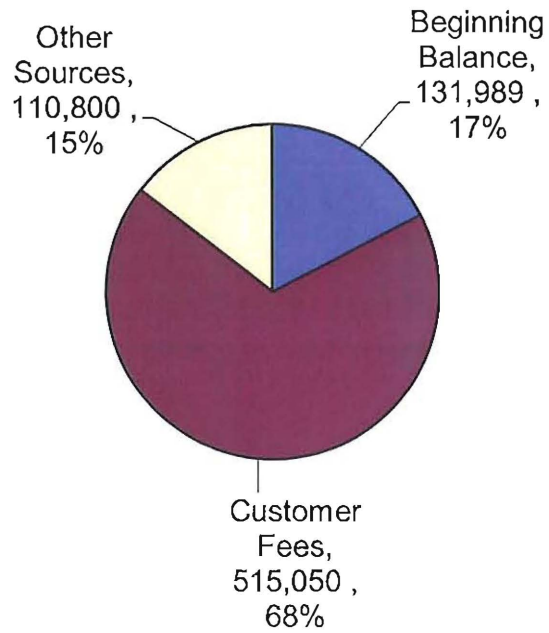
* Includes Interfund Transfers of \$326,077

QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget for FY10-11
Overview Summary

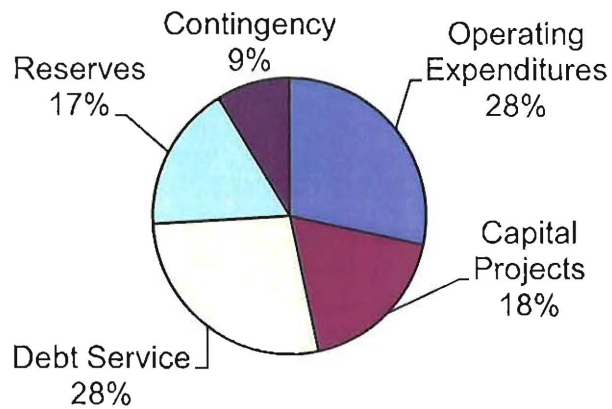
	Agency General Fund	Capital Fund	Total Proposed FY10/11
Beginning Balance	83,913	48,076	131,989
Customer Fees	494,050	21,000	515,050
Other Sources	60,800	50,000	110,800
Grants / Loans	-	-	-
Transfers In	-	326,077	326,077
Total Resources	638,763	445,153	1,083,916
Operating Expenditures	185,686	12,000	197,686
Capital Projects	20,000	107,487	127,487
Debt Service	-	191,949	191,949
Reserves	-	-	-
External Transfers	60,000	-	60,000
Internal Transfers Out	326,077	-	326,077
Reserves	-	120,000	120,000
Contingency	47,000	13,717	60,717
Total Expenditures	638,763	445,153	1,083,916

QualityLife Intergovernmental Agency
Proposed Budget FY 2010-11
Revenues and Expenditures by Source

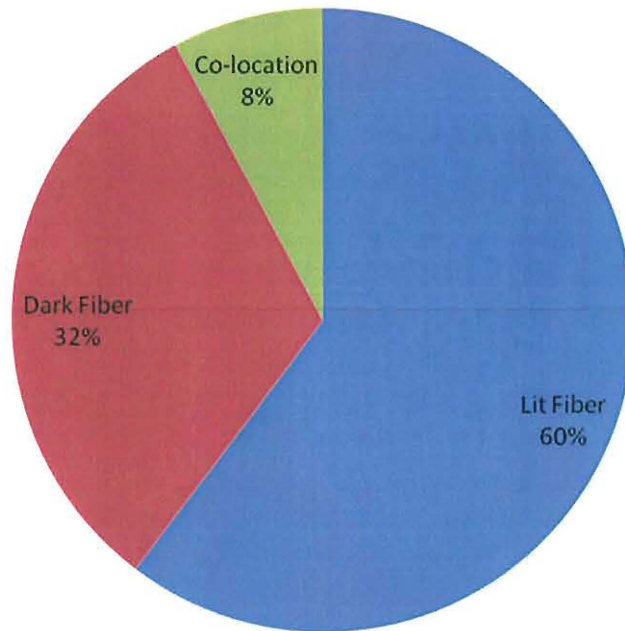
Revenues - Total FY10/11



Expenditures - Total FY10/11



CUSTOMER USER FEE BY TYPE
(As of 4/12/10)



CUSTOMER USER FEE BY TYPE
(As of April 12, 2010)

Type	Revenue	Percent
Lit Fiber	\$ 24,450	60.3
Dark Fiber	\$ 129,240	31.9
Co-location	\$ 31,800	7.8

QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget for FY10/11

Account #	Description	FY07/08 Actual	FY08/09 Actual	FY09/10 Budget	FY10/11 Proposed	FY10/11 Approved
QLIFE AGENCY FUND 600						
REVENUES						
600-0000-300.00-00	Beginning Balance	65,300	63,842	41,466	83,913	
600-0000-371.90-00	Misc Sales and Services	-	-	-	-	
600-0000-344.10-00	Utility Service Charges	284,995	340,846	355,950	425,800	
600-0000-344.15-00	LSN Credits	60,048	65,009	66,000	66,000	
600-0000-344.20-00	Connect Charges	3,150	4,335	2,250	2,250	
600-0000-361.00-00	Interest Revenues	-	870	500	800	
600-0000-369.00-00	Other Misc Revenues	(7,130)	435	-	-	
600-0000-369.20-00	E-Rate Reimbursements	4,657	28,999	60,000	60,000	
600-0000-392.00-00	Sale of Fixed Assets	-	-	-	-	
TOTAL REVENUES		411,020	504,336	526,166	638,763	-

QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget for FY10/11

Account #	Description	FY07/08 Actual	FY08/09 Actual	FY09/10 Budget	FY10/11 Proposed	FY10/11 Approved
EXPENDITURES						
Materials & Services						
600-6000-660.31-10	Administrative Services	12,937	10,757	20,000	20,000	
600-6000-660.31-15	Contractual Svc - County	1,380	-	5,000	5,000	
600-6000-660.31-20	Outside Plant Maint	1,820	27,138	16,000	28,000	
600-6000-660.31-90	Other Services	-	-	-	20,000	
600-6000-660.32-10	Audit	5,040	5,600	5,800	5,800	
600-6000-660.32-20	Legal Services	5,713	9,350	7,200	6,000	
600-6000-660.34-10	Engineering Services	12,585	5,416	19,400	12,000	
600-6000-660.34-30	Network System Mgmt	31,680	43,760	39,300	46,000	
600-6000-660.34-50	Special Studies /Reports	-	-	-	-	
600-6000-660.43-10	Buildings & Grounds	1,750	-	2,000	2,000	
600-6000-660.43-25	Network Equipment	1,503	3,295	4,600	4,600	
600-6000-660.43-40	Office Equipment	-	-	-	-	
600-6000-660.43-71	Spcl Utility Equipmrent	-	-	-	-	
600-6000-660.43-86	Lines Maint & Supplies	-	-	-	-	
600-6000-660.43-87	Utilities Locates	384	223	1,000	1,000	
600-6000-660.44-10	Offcie Space Rental	2,527	3,132	3,132	3,132	
600-6000-660.52-10	Liability Insurance	5,043	4,763	5,500	5,500	
600-6000-660.52-30	Property Insurance	-	280	300	300	
600-6000-660.53-20	Postage	174	174	200	200	
600-6000-660.53-30	Telephone	654	522	650	480	
600-6000-660.53-40	Legal Notices	161	133	400	400	
600-6000-660.54-00	Advertising	16	-	1,000	1,000	
600-6000-660.57-10	Permits	-	375	400	400	
600-6000-660.58-10	Travel, Food & Lodging	2,405	191	800	400	
600-6000-660.58-50	Trainings & Conferences	5,600	-	200	200	
600-6000-660.58-70	Memberships/Dues/Subs	150	40	300	200	
600-6000-660.58-80	Scholarships	-	-	-	2,000	
600-6000-660.60-10	Office Supplies	7	81	500	200	
600-6000-660.69-50	Misc Expenses	225	400	500	500	
600-6000-660.69-60	Pole Connection Fees	5,410	6,368	6,000	7,600	
600-6000-660.69-70	Right of Way Fees	-	-	10,678	12,774	
600-6000-660.69-80	Assets < \$5000	-	-	-	-	
Total Materials & Services		97,165	121,998	150,860	185,686	-
Capital Outlay						
600-6000-660.74-20	Telecom Equipment	7,011	-	20,000	20,000	
600-6000-660.78-50	Fixed Asset Reclass Acct	-	-	-	-	
Total Capital Outlay		7,011	-	20,000	20,000	-
Other						
600-9500-600.81.62	IF Pmt to Capital Fund	-	-	22,000	-	
600-9500-600.81-91	QLife Capital Fund	238,345	323,847	239,306	326,077	
600-9500-600.83-10	ESD E-Rate Transfers	4,657	28,999	60,000	60,000	
600-9500-600.88-00	Contingency	-	-	34,000	47,000	
600-9500-600.89-00	Unappropriated Ending Fund Balance	-	-	-	-	
Total Other		243,002	352,846	355,306	433,077	-
TOTAL EXPENDITURES		347,178	474,844	526,166	638,763	-
REVENUES LESS EXPENSES		63,842	29,491	-	-	-

QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget for FY10/11

Account #	Description	FY07/08 Actual	FY08/09 Actual	FY09/10 Budget	FY10/11 Proposed	FY10/11 Approved
QLIFE CAPITAL FUND 601						
REVENUES						
601-0000-300.00-00	Beginning Balance	24,418	94,224	204,026	48,076	
601-0000-344.20-00	Connect Charges	52,517	8,795	21,000	21,000	
601-0000-369.00-00	Other Misc Revenues	17,392	-	-	-	
601-0000-369.10-00	Enterprise Zone Payment	50,000	50,000	50,000	50,000	
601-0000-391.60-00	IF Pmt from Agency Fund	-	-	22,000	-	
601-0000-391.90-01	Qlife Operating Fund	238,345	323,847	239,306	326,077	
601-0000-393.10-00	Loan/Bond Proceeds	1,079,978	-	-	-	
TOTAL REVENUES		1,462,651	476,866	536,332	445,153	-
EXPENDITURES						
Materials & Services						
601-6000-660.34-10	Engineering Services	1,920	2,200	12,000	10,000	
601-6000-660.34-90	Other Services	2,700	-	20,000	-	
601-6000-660.43-86	Lines, Maint & Supplies	-	27,891	2,000	2,000	
601-6000-660.57-10	Permits	-	-	-	-	
Total Materials & Services		4,620	30,091	34,000	12,000	-
Capital Outlay						
601-6000-660.72-20	Buildings	3,170	-	2,000	2,000	
601-6000-660.74-10	Computer Equipment	1,615	-	-	-	
601-6000-660.74-20	Telecom Equip	500	24,248	147,487	50,487	
601-6000-660.76-10	Primary	7,236	3,177	50,000	12,500	
601-6000-660.76-20	Secondary	45,316	16,870	84,848	37,500	
601-6000-660.76-30	Pole Make Ready Costs	-	-	5,000	5,000	
Total Capital Outlay		57,837	44,295	289,335	107,487	-
Debt Service						
601-6000-660.79-50	Loan Principal Payments	547,722	50,704	142,693	147,014	
601-6000-660.79-51	CRB Principal Payments	675,124	87,021	-	-	
601-6000-660.79-60	Interest Payments	83,123	57,000	52,033	44,935	
601-6000-660.79-90	Loan Reserve/Future Pmts	-	-	-	-	
Total Debt Service		1,305,969	194,725	194,726	191,949	-
Other						
601-9500-600.84-10	Reserve for Sys Imprvmnts	-	-	-	100,000	
601-9500-600.84.20	Reserve for Co Expansion	-	-	-	20,000	
601-9500-600.88-00	Contingency	-	-	18,271	13,717	
	Unappropriated Ending					
601-9500-600.89-00	Fund Balance	-	-	-	-	
Total Other		-	-	18,271	133,717	-
TOTAL EXPENDITURES		1,368,426	269,111	536,332	445,153	-
REVENUES LESS EXPENSES		94,224	207,755	-	-	-

**QLife Debt Summary
By Fiscal Year**

Fiscal Year	OIB Phase I-IV	OIB Phase V & VI	Mt Hood Alliance	Columbia State Bank	TOTAL
2010-11	\$7,030	\$2,783	\$44,200	\$137,331	\$191,344
2011-12	\$7,030			\$137,331	\$144,361
2012-13	\$3,915			\$137,331	\$141,246
2013-14				\$137,331	\$137,331
2014-15				\$137,331	\$137,331
2015-16				\$137,331	\$137,331
2016-17				\$137,331	\$137,331
2017-18				\$125,894	\$125,894
2018-19				\$0	\$0
TOTAL	\$17,975	\$2,783	\$44,200	\$1,087,211	\$1,152,169

QLIFE LONG TERM DEBT
July 1, 2010

QLife has the following loans currently:

OIB Phase I – IV Loan \$42,552 – Seven (7) years @ \$4% interest.

OIB LOAN PHASE I-IV				
Date	Total	Principal	Interest	Balance
FY 09-10 Total	\$ 7,029.58	\$ 6,181.02	\$ 848.56	
12/31/2010	3,514.88	3,183.54	331.34	13,383.69
6/30/2011	3,514.88	3,247.21	267.67	10,136.48
FY 10-11 Total	\$ 7,029.76	\$ 6,430.75	\$ 599.01	
12/31/2011	3,514.87	3,312.15	202.72	6,824.30
6/30/2012	3,514.78	3,378.29	136.49	3,445.94
FY 11-12 Total	\$ 7,029.65	\$ 6,690.44	\$ 339.21	
12/31/2012	3,514.86	3,445.94	68.92	-

OIB Phases V & VI, \$25,000 – Five (5) year loan @ 4% Interest.

OIB LOAN				
Date	Total	Principal	Interest	Balance
12/31/2009	2,783.16	2,622.63	160.53	5,509.98
6/30/2010	2,783.18	2,728.62	108.07	2,726.82
FY 09-10 Total	\$ 5,566.34	\$ 5,351.25	\$ 268.60	
12/31/2010	2,783.19	2,726.82	54.51	-
FY 10/11 Total	\$ 2,783.19	\$ 2,726.82	\$ 54.51	

5) Mt. Hood Alliance, \$200,000 – Over Five (5) Years @ 4% Interest. Monthly payments starting July 2006.

Fiscal Year	\$ Principal	\$ Interest	\$ Balance
FY 2010-11	43,256.91	942.69	-

- 6) Columbia State Bank Refinance – In May 2008 refinanced NoaNet line of credit at CSB and State of Oregon SPWF loans

QLife Refinance Amortization Schedule

Fiscal Year	Principal	Interest	Total	New Balance
				\$987,643.70
2009-10	\$89,926.12	\$48,003.20	\$137,929.32	\$897,717.58
2010-11	\$94,592.27	\$43,337.05	\$137,929.32	\$803,125.31
2011-12	\$99,398.83	\$38,532.49	\$137,931.32	\$703,728.48
2012-13	\$104,658.18	\$33,269.14	\$137,927.32	\$599,070.30
2013-14	\$110,088.77	\$27,804.95	\$137,893.72	\$488,981.53
2014-15	\$115,801.18	\$22,128.14	\$137,929.32	\$373,180.35
2015-16	\$121,768.80	\$16,160.52	\$137,929.32	\$251,411.55
2016-17	\$128,128.43	\$9,800.90	\$137,929.33	\$123,283.12
2017-18	\$122,983.12	\$3,152.44	\$126,135.56	\$0.00

Columbia State Bank (formerly Columbia River Bank)– The original line of credit debt was for LightSpeed Networks (LSN). They have agreed to use part of the revenues we generate through our partnership with LSN up to \$10,258 (an amount equal to a seven (7) year amortization of the debt) to pay principal and interest on the debt. We combined this debt with the SPWF loan into a fully amortized 10 year loan in May 2008.

QLife Ten Year Projection Chart

	FY 10-11	2	3	4	5	6	7	8	9	10
Begin Balance	\$132,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000
Local Line Charges	\$425,800	\$451,348	\$478,429	\$507,135	\$537,563	\$569,816	\$604,005	\$640,246	\$678,661	\$719,380
LSN Credits	\$66,000	\$66,000	\$66,000	\$66,000	\$13,750					
Total Operating Rev.	\$491,800	\$517,348	\$544,429	\$573,135	\$551,313	\$569,816	\$604,005	\$640,246	\$678,661	\$719,380
Insurance	\$5,800	\$6,032	\$6,273	\$6,524	\$6,785	\$7,057	\$7,339	\$7,632	\$7,938	\$8,255
Maintenance/Operation	\$45,386	\$47,201	\$49,089	\$51,053	\$53,095	\$55,219	\$57,428	\$59,725	\$62,114	\$64,598
Management	\$58,000	\$60,320	\$62,733	\$65,242	\$67,852	\$70,566	\$73,389	\$76,324	\$79,377	\$82,552
Administration	\$36,500	\$37,960	\$39,478	\$41,058	\$42,700	\$44,408	\$46,184	\$48,032	\$49,953	\$51,951
Total Operating Expend.	\$145,686	\$151,513	\$157,574	\$163,877	\$170,432	\$177,249	\$184,339	\$191,713	\$199,381	\$207,357
Contingency	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000
e-Zone Revenue	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Funds Available	\$481,114	\$415,835	\$436,855	\$459,258	\$430,881	\$442,567	\$469,666	\$498,533	\$529,279	\$562,024
Debt Service	\$191,364	\$144,361	\$141,246	\$137,331	\$137,331	\$137,331	\$137,331	\$125,894	\$0	\$0
Planned Capital Improv.	\$103,000									
Funds For Projects/Rese	\$186,750	\$271,474	\$295,609	\$321,927	\$293,550	\$305,236	\$332,335	\$372,639	\$529,279	\$562,024