

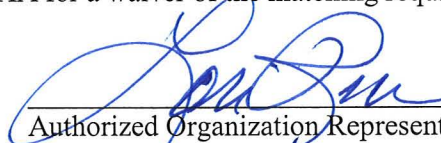
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**U.S. Department of Commerce  
Broadband Technology Opportunities Program  
Authentication and Certifications**

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1. I certify that I am the duly Authorized Organization Representative (AOR) of the applicant organization, and that I have been authorized to submit the attached application on its behalf.
2. I certify that I have examined this application, that all of the information and responses in this application, including certifications, and forms submitted, all of which are part of this grant application, are material representations of fact and true and correct to the best of my knowledge, that the entity(ies) that is requesting grant funding pursuant to this application and any subgrantees and subcontractors will comply with the terms, conditions, purposes, and federal requirements of the grant program; that no kickbacks were paid to anyone; and that a false, fictitious, or fraudulent statements or claims on this application are grounds for denial or termination of a grant award, and/or possible punishment by a fine or imprisonment as provided in 18 U.S.C. §1001 and civil violations of the False Claims Act.
3. I certify that the entity(ies) I represent have and will comply with all applicable federal, state, and local laws, rules, regulations, ordinances, codes, orders and programmatic rules and requirements relating to the project. I acknowledge that failure to do so may result in rejection or deobligation of the grant or loan award. I acknowledge that failure to comply with all federal and program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities.
4. I certify that the entity(ies) I represent has and will comply with all applicable administrative and federal statutory, regulatory, and policy requirements set forth in the Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements ("DOC Pre-Award Notification"), published in the Federal Register on February 11, 2008 (73 FR 7696), as amended; DOC Financial Assistance Standard Terms and Conditions (Mar. 8, 2009); the Department of Commerce American Recovery and Reinvestment Act Award Terms (Apr. 9, 2009); and any Special Award Terms and Conditions that are included by the Grants Officer in the award.
5. I certify that any funds awarded to the entity(ies) I represent as a result of this application will not result in any unjust enrichment of such entity(ies) or duplicate any funds such entity(ies) receive under federal universal service support programs administered by the Universal Service Administrative Corporation (USAC).
6. I certify that the entity(ies) I represent has secured access to pay the 20% of total project cost or has petitioned the Assistant Secretary of NTIA for a waiver of the matching requirement.

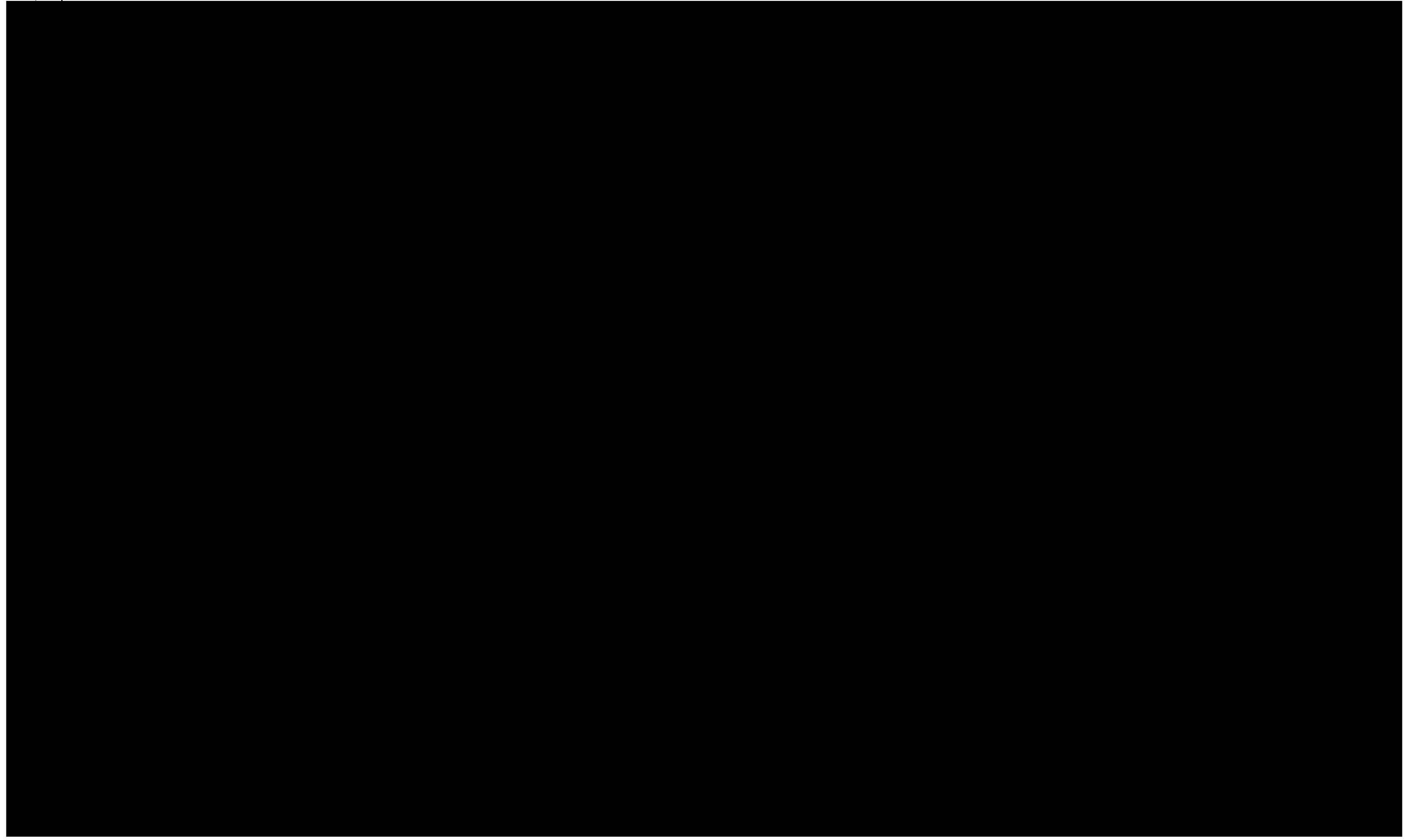
FEB 28, 2010  
Date

  
Authorized Organization Representative Signature

LORI RICE  
Print Name

CHIEF OPERATIONS OFFICER  
Title

PLUMAS-SIERRA PROPOSED PFSA MID MILE



**PLUMAS-SIERRA RURAL ELECTRIC  
COOPERATIVE AND SUBSIDIARIES**

Consolidated Financial Statements with Supplemental Information

Years Ended December 31, 2008 and 2007

# PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

## Consolidated Financial Statements with Supplemental Information

Years Ended December 31, 2008 and 2007

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Plumas-Sierra Rural Electric Cooperative and Subsidiaries  
Portola, California

We have audited the accompanying consolidated balance sheets of Plumas-Sierra Rural Electric Cooperative and Subsidiaries (the Cooperative) as of December 31, 2008 and 2007, and the related consolidated statements of operations and patronage capital, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Plumas-Sierra Rural Electric Cooperative and Subsidiaries as of December 31, 2008 and 2007, and the results of their operations and cash flows for the years 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 April 24, 2009, on our consideration of Plumas-Sierra Rural Electric Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 read in conjunction with this report in considering the results of our audits.

**AKT LLP**

Salem, Oregon  
April 24, 2009

# PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

## Consolidated Balance Sheets

December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Electric Plant:		
Plant in service	\$ 71,394,807	\$ 69,039,306
Construction work in progress	<u>10,907,943</u>	<u>3,965,825</u>
	82,302,750	73,005,131
Provision for accumulated depreciation	<u>(28,438,188)</u>	<u>(27,818,753)</u>
	<u>53,864,562</u>	<u>45,186,378</u>
Electric Plant, net		
Other Assets and Investments:		
Nonutility property	4,763,269	4,401,757
Provision for accumulated depreciation	(1,387,805)	(463,661)
Investments in associated organizations	4,392,328	3,051,552
Note receivable, less current portion	2,147,871	3,363,178
NCPA reserve fund	1,044,314	1,089,275
Deferred income taxes	<u>809,500</u>	<u>193,800</u>
	<u>11,769,477</u>	<u>11,635,901</u>
Total Other Assets and Investments		
Current Assets:		
Cash and cash equivalents	1,127,569	766,516
Accounts receivable, less provision for doubtful accounts of \$336,964 (\$169,951 in 2007)	5,578,700	5,180,961
Note receivable, current portion	1,215,307	1,115,771
Materials and supplies	1,496,208	1,581,378
Inventory	108,971	608,136
Prepayments	680,094	132,099
Other assets	<u>201,052</u>	<u>161,804</u>
	<u>10,407,901</u>	<u>9,546,665</u>
Total Current Assets		
Deferred Charges	<u>3,336,516</u>	<u>4,661,088</u>
	<u>\$ 79,378,456</u>	<u>\$ 71,030,032</u>

<b>EQUITIES AND LIABILITIES</b>	<u>2008</u>	<u>2007</u>
Equities and Margins:		
Memberships	\$ 32,690	\$ 32,430
Patronage capital	18,925,938	17,559,274
Donated capital	<u>25,263</u>	<u>25,263</u>
Total Equities and Margins	<u>18,983,891</u>	<u>17,616,967</u>
Long-Term Debt	<u>31,220,785</u>	<u>32,939,066</u>
Current Liabilities:		
Lines of credit	19,674,536	11,105,650
Current maturities of long-term debt	2,715,991	2,571,036
Accounts payable, trade	2,344,463	2,616,875
Taxes payable	248,099	-
Consumer deposits	133,165	112,065
Unearned revenue	636,715	768,294
Other liabilities	<u>1,505,752</u>	<u>1,363,662</u>
Total Current Liabilities	27,258,721	18,537,582
Other Liabilities:		
Consumer advances for construction	57,656	73,290
NCPA obligation	625,000	833,333
Deferred credits	<u>1,232,403</u>	<u>1,029,794</u>
Total Other Liabilities	<u>1,915,059</u>	<u>1,936,417</u>
	<u>\$ 79,378,456</u>	<u>\$ 71,030,032</u>

**PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES****Consolidated Statements of Operations and Patronage Capital**

Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating Revenues:		
Residential	\$ 10,659,352	\$ 9,264,918
Irrigation	1,274,848	1,137,628
Commercial	1,877,457	1,688,187
Public authorities	8,593,103	6,849,121
Power cost adjustment plan	(220,000)	1,720,000
Other	<u>939,221</u>	<u>1,021,011</u>
Total Operating Revenues	<u>23,123,981</u>	<u>21,680,865</u>
Operating Expenses:		
Cost of power	12,746,977	11,253,096
Transmission	443,759	281,537
Distribution - operation and maintenance	2,431,613	2,440,145
Customer accounts	714,765	642,323
Customer service and information	368,466	519,491
Administrative and general	1,553,455	1,430,956
Depreciation and amortization	1,447,123	1,330,059
Property taxes	402,580	367,201
Miscellaneous	<u>5,339</u>	<u>15,774</u>
Total Operating Expenses	20,114,077	18,280,582
Operating Margin Before Fixed Charges	3,009,904	3,400,283
Fixed Charges - Interest on Long-Term Debt	<u>2,303,698</u>	<u>2,127,925</u>
Operating Margin after Fixed Charges	706,206	1,272,358
Patronage Capital Credit Allocations	<u>2,143,299</u>	<u>655,963</u>
Net Operating Margin (carried forward)	<u>\$ 2,849,505</u>	<u>\$ 1,928,321</u>



**PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES****Consolidated Statements of Operations and Patronage Capital, continued**

Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Net Operating Margin (brought forward)	\$ <u>2,849,505</u>	\$ <u>1,928,321</u>
Nonoperating Revenues (Expenses):		
Interest income	442,212	590,514
Satellite television operations:		
Revenue	717,314	644,490
Expenses	(78,423)	(121,088)
Internet operations:		
Revenue	9,198,718	8,496,797
Programming and equipment costs	(5,173,248)	(4,422,443)
Operations expense	(1,567,695)	(2,106,645)
Customer support and billing	(963,998)	(985,902)
Administrative and general expense	(1,266,378)	(1,377,320)
Depreciation and amortization	(998,194)	(265,471)
Amortization of deferred installation costs	(1,465,994)	(2,579,181)
Income tax benefit (expense)	(69,121)	861,970
Verizon operations, net	32,684	-
Miscellaneous	<u>(166,829)</u>	<u>(33,727)</u>
Total Nonoperating Expenses, net	<u>(1,358,952)</u>	<u>(1,298,006)</u>
Net Margin	1,490,553	630,315
Patronage Capital, beginning	17,559,274	16,950,409
Retirements of Capital Credits, net	<u>(123,889)</u>	<u>(21,450)</u>
Patronage Capital, ending	<u>\$ 18,925,938</u>	<u>\$ 17,559,274</u>

**PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES****Consolidated Statements of Operations and Patronage Capital, continued**

Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Net Operating Margin (brought forward)	\$ <u>2,849,505</u>	\$ <u>1,928,321</u>
Nonoperating Revenues (Expenses):		
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Income tax benefit (expense)	(69,121)	861,970
Verizon operations, net	32,684	-
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Retirements of Capital Credits, net	<u>(123,889)</u>	<u>(21,450)</u>
Patronage Capital, ending	<u>\$ 18,925,938</u>	<u>\$ 17,559,274</u>

## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Consolidated Statements of Cash Flows

Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Net margin	\$ 1,490,553	\$ 630,315
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation	1,447,123	1,330,059
Depreciation on nonutility property	1,021,750	289,026
Amortization of deferred installation costs	1,465,994	2,579,181
Loss on sale of equipment	192,849	-
Patronage capital credit allocations	(2,143,299)	(655,963)
Change in deferred income taxes	(615,700)	(1,349,400)
Change in NCPA reserve	44,961	220,385
Change in NCPA obligation	(208,333)	(208,334)
Change in power cost adjustment	220,000	(480,000)
Changes in assets and liabilities:		
Accounts receivable	(617,739)	(1,835,666)
Prepayments	(547,995)	93,469
Other assets	(39,248)	86,489
Deferred charges	(121,554)	(990,831)
Inventory	499,165	229,740
Accounts payable, trade	(272,412)	636,522
Consumer deposits	21,100	3,515
Taxes payable	248,099	-
Unearned revenue	(6,005)	-
Other liabilities	142,090	69,973
Deferred credits	77,035	507,709
Net Cash Provided by Operating Activities	<u>2,298,434</u>	<u>1,156,189</u>
Cash Flows from Investing Activities:		
Plant additions	(9,944,238)	(3,639,730)
Purchases of nonutility property	(651,967)	(3,766,212)
Increase in deferred installation costs	(19,868)	(875,763)
Plant removal costs	(250,502)	(295,997)
Material salvaged from retirements	69,432	32,004
Increase (decrease) in materials and supplies	85,170	(13,442)
Payments received on note receivable	1,115,771	1,024,385
Reinvested interest	(32,571)	(36,730)
Proceeds from investments	<u>835,095</u>	<u>370,068</u>
Net Cash Used by Investing Activities	<u>\$ (8,793,678)</u>	<u>\$ (7,201,417)</u>

See accompanying notes to consolidated financial statements.

**PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES****Consolidated Statements of Cash Flows, continued**

Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash Flows from Financing Activities:		
Net increase in memberships	\$ 260	\$ 445
Capital credits retired/offset	(123,889)	(21,450)
Net borrowings on lines of credit	8,568,886	2,000,000
Loan funds advanced	900,000	4,580,000
Long-term debt payments	(2,473,326)	(2,059,988)
Decrease in consumer advances for construction	<u>(15,634)</u>	<u>(205,805)</u>
Net Cash Provided by Financing Activities	<u>6,856,297</u>	<u>4,293,202</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	361,053	(1,752,026)
 Cash and Cash Equivalents, beginning	<u>766,516</u>	<u>2,518,542</u>
 Cash and Cash Equivalents, ending	<u>\$ 1,127,569</u>	<u>\$ 766,516</u>
 Cash Paid During the Year for Interest, net of amount capitalized	<u>\$ 2,189,004</u>	<u>\$ 2,244,125</u>
 Cash Paid During the Year for Income Taxes	<u>\$ 408,379</u>	<u>\$ 517,544</u>

# PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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### Note 1 - Organization and Summary of Significant Accounting Policies

#### Organization

Plumas-Sierra Rural Electric Cooperative (the Cooperative) provides electric services to its members in portions of Plumas, Lassen, and Sierra Counties, California, and parts of Washoe County, Nevada. Plumas-Sierra Telecommunications, a wholly-owned subsidiary, provides dial-up internet, and satellite television programming. GotSKY Unlimited, another wholly-owned subsidiary, is a major supplier of WildBlue high-speed, wireless satellite Internet access for rural America. A wireless Internet service is being offered and the Cooperative is an authorized retailer for Verizon Wireless.

All nonmanagement employees are members of the International Brotherhood of Electrical Workers (IBEW). The agreement between the Cooperative and IBEW expires June 30, 2009.

#### Consolidation

The consolidated financial statements include the accounts of the Cooperative, and its wholly-owned Subsidiaries, both California corporations. All intercompany balances and transactions have been eliminated in consolidation.

The Cooperative directly charges management and accounting services to the Subsidiaries. Such services are provided at cost, including overhead. The Subsidiaries owed the Cooperative \$3,619,735 at December 31, 2008 (\$3,955,276 at December 31, 2007). At December 31, 2008 the Cooperative owed the Subsidiaries \$231,458 (none at December 31, 2007).

#### Estimates

The Cooperative uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results may differ from these estimates.

#### Reclassifications

Certain prior years' amounts have been reclassified for comparative purposes to conform to the presentation in the 2008 consolidated financial statements. Total members' equity and net margin are unchanged due to these reclassifications.

#### General Accounting

The Cooperative's accounting practices are governed by the requirements of the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission, as supplemented by the Rural Utilities Service (RUS).

#### Regulations

All electric utilities and cooperatives are monitoring new federal and state regulations related to renewable energy requirements that could negatively impact power costs. The Cooperative must comply with regulatory standards related to transmission.

The Cooperative is subject to normal environmental standards imposed by federal, state, and local environmental laws and regulations. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Liabilities for such expenditures are recorded when it is probable that obligations have been incurred and the cost can be reasonably estimated.

#### Plant Accounting

Investment in the electric plant is carried at installed cost. Plant retirements are priced at average historical cost per continuing property record unit (CPR) costs. For any retirement, the net retirement loss is charged to applicable depreciation reserves. This retirement loss consists of the original cost (CPR cost) of plant retired, plus removal cost, less any salvage involved. The costs of operating and maintaining plant in service are expensed in the current period.

## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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#### Note 1 - Organization and Summary of Significant Accounting Policies, continued

##### Plant Accounting, continued

The Cooperative follows the policy of capitalizing interest as a component of the cost of electric plant constructed for its own use. In 2008, total interest incurred was \$2,621,247 (\$2,263,902 in 2007), of which \$317,549 (\$139,671 in 2007) was capitalized.

Plant in service is depreciated under the group method, using a straight-line composite rate for each group of accounts involved.

##### Nonutility Property

Nonutility property represents the fixed assets of the Cooperative's wholly-owned subsidiaries, Plumas-Sierra Telecommunications and GotSKY Unlimited. In April 2007, GotSKY began retaining ownership of the WildBlue satellite internet equipment and then provides the equipment to customers on a lease basis. As a result, the GotSKY nonutility property balance is primarily comprised of this customer equipment and is depreciated over the estimated useful life of 4 years. The remaining portion of nonutility property includes office furniture, transportation equipment, and other equipment depreciated using the straight-line method over the estimated useful lives ranging from 5 to 10 years.

##### Investments in Associated Organizations

Investments in associated organizations are stated at cost.

##### Cash and Cash Equivalents

The Cooperative considers cash equivalents to include all temporary investments of funds in liquid securities with an original maturity of 3 months or less.

The Cooperative maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. Section 136 of the Emergency Stabilization Act of 2008 temporarily increased FDIC deposit insurance limits from \$100,000 to \$250,000 until December 31, 2009. The Cooperative's bank accounts are held in banks that are participating in a new program under which any noninterest bearing transaction accounts have unlimited FDIC insurance, and interest bearing accounts are insured up to \$250,000.

At December 31, 2008, the Cooperative's total uninsured cash balance was \$493,486.

##### Accounts Receivable

The Cooperative extends credit to its members and others. The Cooperative requires a deposit from most of its members, which can be applied to unpaid bills and fees in the event of default. Receivables are written-off when the Cooperative determines an account is uncollectible. Past due status is determined based on how recently the payment has been received.

##### Materials and Supplies

Materials and supplies for electric plant and inventories of the Subsidiaries are valued at average cost. Items determined to be obsolete are written off.

##### Sick Leave Policy

The Cooperative pays an employee for earned but unused sick leave at the rate of pay in effect at retirement, if the employee retires from the Cooperative at normal age, as defined by the employment agreement. Departure under any other circumstances results in the employee forfeiting any unused sick leave.

Employees may carry forward up to 520 hours of unused sick leave into the following year, after being paid for the excess hours. The maximum hours paid at retirement would be the 520 carryforward limit, plus unused hours earned in the year of retirement.

##### Patronage Capital

Net margin for the year is allocated to each member on the basis of their total power billing for the year.

## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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#### Note 1 - Organization and Summary of Significant Accounting Policies, continued

##### Power Costs

Power costs are expensed as incurred. Any subsequent true-ups and retroactive adjustments to power costs are recorded in the year in which such adjustments become determinable.

The Cooperative generally receives approximately 30% of its power annually from the Western Area Power Administration (WAPA) through a 25 Megawatt allocation under a contract expiring in 2024. The amount of energy provided can vary annually depending on power supply availability and drought conditions. Due to the ongoing impact of several years of drought conditions, 23% of the 2008 kilowatt hour purchases were from WAPA, which is primarily hydro power. In addition, the Cooperative is an Associate member of the Northern California Power Agency (NCPA) and has ownership interest in NCPA's generating plants. The Cooperative's portion of these plants' production varies depending on the project, peaking at slightly over 6 Megawatts.

The Cooperative also has long-term contracts with both Morgan Stanley and the Utah Association of Municipal Power Systems (UAMPS). The Morgan Stanley contract is for 2 Megawatts year-round and an additional 2 Megawatts for the first and fourth quarters of each year expiring December 2014. This contract was originally held with Pinnacle West Energy but was transferred to Morgan Stanley late in 2007. The UAMPS contract consists of approximately 5 Megawatts annually with the contract term expiring in March 2012. See Note 8 for additional information regarding power costs.

The Cooperative's power purchasing strategy is for contracts and cooperative owned resources to provide over 90% of its power supply through a diverse mix of suppliers and fuel sources. In so doing, the Cooperative's goal is to minimize the effect of drought, fuel price increases, and market upheaval.

##### Power Cost Adjustment Plan

The Cooperative's rate design directive, as approved by the Board of Directors, was established to minimize the effect of volatile wholesale power prices to members and the financial position of the Cooperative. The directive stipulates that unexpected changes in the cost of purchased power will be passed on to retail customers through a purchased power adjustment clause. The power cost adjustment plan was prepared in consultation with representatives of RUS and CFC. It was also a significant component of the Cooperative's RUS approved 2003 loan application, as well as the generation loan application submitted in 2006.

The Cooperative annually forecasts power costs and bills the projected amount to members. In the event actual power costs are less than forecasted, the actual cost will be recognized as expense. The amount of revenue derived from the excess of the billed amount over actual costs is accounted for as deferred revenue, thereby creating a reserve to be applied in the event power costs exceed forecasted amounts in the future. Cash and cash equivalents equal to the amount of the deferred revenue will be segregated and restricted for this future use. In 2004, forecasted power costs billed to members exceeded actual costs, resulting in deferred revenue reserve in the amount of \$620,000. A short term investment note in the same amount was designated and restricted for future use as a power cost adjustment. It remained unchanged until 2007, at which point the deferred revenue was recognized and the proceeds from the related investment were used to offset the impact of increasing power costs.

In the event actual costs exceed the forecasted amount billed to members an unbilled revenue accrual is made to recognize the shortfall incurred by the Cooperative. The Cooperative is subsequently able to bill consumers for this unbilled revenue based on a Board of Directors' approved recovery schedule, thereby compensating the Cooperative for the unexpected change in the cost of power. The recovery schedule will incorporate seasonal price fluctuations as well as the application of any existing deferred revenue reserves as discussed in the prior paragraph. As previously noted, in 2007 actual power costs exceeded the forecasted amount billed to members and the pre-existing deferred revenue reserve in the amount of \$620,000 was applied to offset the impact of the increase. The net impact for 2007 was \$1.1 million in unbilled revenues, which were collected in rates throughout 2008.

# PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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### Note 1 - Organization and Summary of Significant Accounting Policies, continued

#### Power Cost Adjustment Plan, continued

For 2008, the power costs exceeded the forecasted amount billed to consumers and the Cooperative accrued \$880,000 in unbilled revenues. A customer receivable was recognized for the \$880,000 power cost adjustment which will be billed to customers based on the recovery schedule approved by the Board. Consumer rates for 2009 have been set to recover the majority of the 2008 unbilled revenue receivable in addition to the 2009 forecasted power costs.

### Note 2 - Electric Plant

Listed below are the major classes of electric plant as of December 31:

	<u>2008</u>	<u>2007</u>
Organization cost	\$ 816	\$ 816
Transmission plant	13,690,995	13,601,566
Distribution plant	47,996,371	45,783,579
General plant	7,684,245	7,565,727
Acquisition adjustment	<u>2,022,380</u>	<u>2,087,618</u>
	<u>\$ 71,394,807</u>	<u>\$ 69,039,306</u>
Construction work in progress	<u>\$ 10,907,943</u>	<u>\$ 3,965,825</u>

The Cooperative is constructing a two-unit, 3 Megawatts gas-fired internal combustion generating facility within the confines of the California Correctional Center located in Susanville. In addition to electricity, the High Sierra Cogen plant will provide cogenerated hot water for the prisons' use. The project will generate about 20% of the Cooperative's energy needs and help improve system reliability.

The Cooperative executed a Purchase Authorization agreement, dated December 10, 2007 with EMCOR Energy Services, Inc. for the purchased of two General Electric Jenbacher engine generators, in the amount of \$3,719,965. The engines have been paid for in full and are in storage pending installation in 2009.

In April 2008, the Cooperative entered a contract with EMCOR for the engineering, permitting, procurement and construction, start-up, and performance testing for the generating facility on a lump sum fixed price basis, excluding sales tax for \$14,488,000. The contract price includes the December 10, 2007 Purchase Authorization agreement.

Anticipated completion of the project is May 2010. As of December 31, 2008, \$6,971,791 has been charged to cogeneration construction work in progress work orders. Expenditures related to the project are through a CFC line of credit, see Note 6, Long-Term Debt.

On July 30, 2008, the Cooperative filed a loan application with RUS in the amount of \$38.1 million for the 2008-2011 Construction Work Plan, which includes the EMCOR energy project. The request is pending funding availability and further review by RUS.



## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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#### Note 3 - Provision for Accumulated Depreciation

Listed below are the provision for accumulated depreciation for December 31 and the annual composite rates:

	Annual Composite Rate %	2008	2007
Transmission plant	1.82 - 2.75	\$ 5,863,995	\$ 5,638,750
Distribution plant	1.64 - 14.91	<u>18,260,276</u>	<u>18,122,863</u>
		<u>24,124,271</u>	<u>23,761,613</u>
General plant:			
Structures and improvements	2.00	796,615	731,411
Furniture	10.00	127,242	119,462
Computer	20.00	363,828	307,804
Transportation equipment	16.00	1,128,050	1,066,150
Power operated equipment	16.00	1,189,502	1,095,143
Communication and miscellaneous equipment	6.00 - 20.00	<u>708,680</u>	<u>737,170</u>
		<u>4,313,917</u>	<u>4,057,140</u>
		\$ <u>28,438,188</u>	\$ <u>27,818,753</u>

#### Note 4 - Investment in Associated Organizations

Investments in associated organizations consist of the following:

	2008	2007
CFC patronage capital	\$ 233,160	\$ 209,083
CFC capital term certificates	525,153	688,335
CFC membership fee	1,000	1,000
NRTC patronage capital	2,711,131	1,285,553
General Pacific capital	5,685	5,685
Federated Insurance, equity account allocations	106,005	92,074
RUS Cushion of Credit	796,309	757,695
Other	<u>13,885</u>	<u>12,127</u>
	\$ <u>4,392,328</u>	\$ <u>3,051,552</u>

In prior years, the Cooperative invested \$625,000 in a special RUS cushion of credit account, which accrues interest to the Cooperative at 5%. The amounts in the cushion of credit account can only be used to make scheduled payments on loans made or guaranteed. There were no additional funds invested nor did the Cooperative apply any funds toward debt payments in 2008 or 2007.

# PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

### Note 5 - Deferred Charges

	<u>2008</u>	<u>2007</u>
Deferred charges consist of the following:		
Preliminary survey and investigation costs	\$ 9,039	\$ 9,039
CFC loan conversion fees being amortized over the remaining lives of the notes involved	79,064	85,532
Research and development costs, other	66,653	61,539
Research and development, wind power and generation	2,380,114	2,316,470
Consumer-based load management programs	14,006	18,891
Work plan	149,935	167,246
NCPA shared project costs	166,184	6,300
GotSKY loan acquisition costs	5,567	11,134
GotSKY installation costs	46,440	1,483,256
GotSKY organizational costs	11,230	14,973
Mapping and staking system improvements	288,861	152,262
Other	<u>119,423</u>	<u>334,446</u>
	<u>\$ 3,336,516</u>	<u>\$ 4,661,088</u>

GotSKY Unlimited, Inc. provided WildBlue satellite internet equipment and related installation costs to customers at a discount prior to April 2007. In alignment with industry practice, the cost of this discount is amortized over the life of the customer's contract which is 24 months, and will be fully amortized in the first quarter 2009. See Note 1, Nonutility Property for details of GotSKY retaining ownership of the WildBlue satellite internet customer equipment and leasing to its customers.

### Note 6 - Long-Term Debt

	<u>2008</u>	<u>2007</u>
RUS mortgage notes, collateralized by substantially all real and personal property.		
5% mortgage notes payable to the RUS, payable in monthly installments of \$23,165, principal and interest, due 2023.	\$ 2,836,615	\$ 2,969,179
5% mortgage notes payable to the RUS, payable in monthly installments of \$7,382, principal and interest, due 2026.	<u>1,092,572</u>	<u>1,125,639</u>
Total, RUS mortgage notes	<u>3,929,187</u>	<u>4,094,818</u>
Cooperative Finance Corporation (CFC) mortgage notes, which are subject to re-pricing at various years, and collateralized by substantially all real and personal property:		
5.6% fixed rate mortgage note payable to the CFC, which will be paid off in the first quarter of 2009.	2,810	14,741
5.50%-5.75% (4.85%-5.50% in 2007) mortgage notes payable to CFC, payable in quarterly installments of \$26,821, principal and interest, due in various years through 2023.	923,653	979,755
5.75%-6.05% (4.9%-5.75% in 2007) mortgage notes payable to CFC, payable in quarterly installments of \$45,154, principal and interest, due in 2023 and 2028.	<u>1,828,781</u>	<u>1,905,182</u>
Carried forward	<u>\$ 2,755,244</u>	<u>\$ 2,899,678</u>

## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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#### Note 6 - Long-Term Debt, continued

	<u>2008</u>	<u>2007</u>
Brought forward	\$ 2,755,244	\$ 2,899,678
5.75% mortgage note (5.75% in 2007) payable to CFC, payable in quarterly installments of \$16,955, principal and interest, due in 2033.	911,495	927,464
5.8%, 5.9%, 3.75% mortgage notes (5.8%, 3.5%, and 3.75% in 2007) payable to CFC, payable in quarterly installments of \$80,561, principal and interest, due in 2016. The 3.75% note repriced on January 1, 2009 to an interest rate of 5.75%.	<u>1,955,554</u>	<u>2,165,384</u>
Total, CFC mortgage notes	<u>5,622,293</u>	<u>5,992,526</u>
Farmer Mac mortgage notes; which are loans serviced, but not owned, by CFC:		
6.10% variable rate mortgage notes payable to CFC, payable in semiannual installments of \$231,281, principal and interest, collateralized by substantially all real and personal property, due in 2011 and 2013.	<u>4,928,073</u>	<u>4,999,039</u>
Federal Financing Bank (FFB) fixed rate mortgage notes, collateralized by substantially all real and personal property:		
4.379% mortgage note payable to FFB, payable in quarterly principal installments of \$70,047, plus quarterly interest payments, due in 2014.	8,125,437	8,405,625
4.602% mortgage note payable to FFB, payable in quarterly principal installments of \$12,633, plus quarterly interest payments, due in 2037.	1,465,406	1,515,938
4.263% fixed rate mortgage note payable to FFB, payable in quarterly principal installments of \$13,625, plus quarterly interest payments, due in 2037.	1,580,500	1,635,000
4.755% mortgage note payable to FFB, payable in quarterly principal installments of \$7,419, plus quarterly interest payments, due in 2037.	860,645	890,323
4.980% mortgage note payable to FFB, payable in quarterly principal installments of \$5,579, plus quarterly interest payments, due in 2037.	647,206	669,524
4.789% mortgage note payable to FFB, payable in quarterly principal installments of \$10,156, plus quarterly interest payments, due in 2037.	1,178,067	1,218,689
4.782% mortgage note payable to FFB, payable in quarterly principal installments of \$7,273, plus quarterly interest payments, due in 2037.	843,636	872,727
4.538% mortgage note payable to FFB in quarterly principal installments of \$5,133, interest accrued payable quarterly, collateralized by substantially all real and personal property, due in 2037.	<u>595,467</u>	<u>616,000</u>
Total, FFB mortgage notes	<u>\$ 15,296,364</u>	<u>\$ 15,823,826</u>

# PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

### Note 6 - Long-Term Debt, continued

	<u>2008</u>	<u>2007</u>
National Cooperative Finance Corporations (NCSC) fixed rate mortgage notes collateralized by substantially all real and personal property:		
6.15% mortgage notes payable to NCSC, payable in quarterly installments of \$240,379, principal and interest, due in 2010.	1,387,461	2,225,447
6.65% mortgage note payable to NCSC, payable in quarterly installments of \$46,305, principal and interest, due in 2010.	262,360	423,384
6.45% mortgage note payable to NCSC, interest only through December 2009, then payable in quarterly installments of \$49,969, principal and interest, due in 2010.	283,602	458,094
5.90% mortgage note payable to NCSC, interest only through December 2009, then payable in quarterly installments of \$70,623, due in 2013. See Note 11 for additional security information.	1,000,000	1,000,000
6.45% mortgage note payable to NCSC, quarterly interest only payments until July 2010, then payable in quarterly installments of \$29,447, principal and interest, due in 2015. See note 11 for additional security information.	500,000	-
7.0% mortgage note payable to NCSC, quarterly interest only payments until November 2010, then payable in quarterly installments of \$23,876, principal and interest, due in 2015. See note 11 for additional security information.	<u>400,000</u>	<u>-</u>
Total, NCSC mortgage notes	<u>3,833,423</u>	<u>4,106,925</u>
Economic stabilization obligation with Lassen Municipal Utility District (LMUD), payable in annual installments of \$155,000, expiring in 2010.	310,000	465,000
Ford Motor Credit auto loan, payable in monthly installments of \$341, collateralized by the vehicles themselves, expiring in 2010.	<u>17,436</u>	<u>27,967</u>
	33,936,776	35,510,102
Less current maturities	<u>2,715,991</u>	<u>2,571,036</u>
	<u>\$ 31,220,785</u>	<u>\$ 32,939,066</u>

Future maturities of long-term debt are as follows:

2009	\$ 2,715,991
2010	2,236,374
2011	1,701,410
2012	1,901,259
2013	1,959,894
Thereafter	<u>23,421,848</u>
	<u>\$ 33,936,776</u>

## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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#### Note 6 - Long-Term Debt, continued

The Cooperative has unadvanced loan commitments at December 31 that consist of the following:

	<u>2008</u>	<u>2007</u>
FFB	\$ 11,000,000	\$ 11,000,000
FFB	7,900,000	-
CFC	50,750	50,750
NCSC	<u>1,600,000</u>	<u>2,500,000</u>
	<u>\$ 20,550,750</u>	<u>\$ 13,550,750</u>

On September 23, 2008, the Cooperative was notified that a loan guarantee commitment of \$7.9 million had been approved by RUS. RUS will guarantee the loan to the Cooperative from FFB. The Cooperative and RUS executed the final loan documents and notes in the first quarter of 2009.

#### Lines of Credit:

At December 31, the Cooperative had the following lines of credit with CFC: a \$5,000,000 line of credit with interest at 6.40% in 2008 and 2007 and no maturity date; a \$16,000,000 line with interest at 6.40% in 2008 and 2007 to expire December 2013; and in 2008 an additional \$8,000,000 line of credit was obtained with interest at a monthly variable rate to expire March 11, 2010.

The total outstanding balance on the lines of credit at December 31, 2008 is \$19,674,536 (\$11,105,650 at December 31, 2007).

Subsequent to year-end, an additional \$4.4 million has been drawn on the lines of credit, primarily for the cogeneration project. As of April 24, 2009, the total outstanding balance is \$24,074,536. See Note 2 Electric Plant for additional information on the expenditures related to the cogeneration project.

#### Letter of Credit:

On August 15, 2007, the Cooperative signed a Letter of Understanding (LOU) with Sierra Pacific Power Company (SPPC) to provide for the performance of certain design, engineering, permitting, procurement, and construction activities related to a 345/120 kV transmission line. As part of the LOU, SPPC required a letter of credit in the amount of \$5.1 million. The letter of credit, with a 24-month term, was issued September 20, 2007 by CFC with SPPC as the named beneficiary.

#### Other:

The economic stabilization obligation with LMUD is a result of the agreement between the Cooperative and LMUD regarding the transfer of electric service responsibilities in the Herlong area.

The long-term debt agreements contain restrictions on the payment of dividends on patronage capital. The terms of the long-term debt agreements require the maintenance of defined amounts of members' equity and working capital after the payment of dividends.

#### Note 7 - Pensions and Other Benefits

All regular, full-time employees who have completed one calendar year of service participate in the National Rural Electric Cooperative Association (NRECA) Retirement and Security Program (the Plan), a defined benefit pension plan qualified under Section 401, and tax-exempt under Section 501(a) of the Internal Revenue Code. Provisions of the Plan limit the Cooperative's maximum employer contribution to 17% of all eligible employee salaries. Employer contributions made to the Plan generally equal the amounts accrued for pension expense based on such eligible salaries.

## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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#### Note 7 - Pensions and Other Benefits, continued

Contributions to the Plan in 2008 amounted to \$806,483 (\$685,364 in 2007).

The defined benefit plan is a multi-employer plan, which is available to all member cooperatives of NRECA. The accumulated benefits and plan assets are not determined or allocated separately by individual employers.

In addition, the Cooperative contributes to a savings plan a matching contribution equal to each employee's contribution, up to a maximum employer contribution of 6% of wages earned for all regular, full-time employees who have completed 6 months of service. Qualified employees are required to contribute a minimum amount equal to 1% of wages. The Cooperative's contributions to the plan in 2008 amounted to \$287,277 (\$254,739 in 2007).

#### Note 8 - NCPA Obligation

The Cooperative has a liability with NCPA resulting from a stranded geothermal facility. The Cooperative's remaining obligation related to the stranded costs at December 31, 2008 is \$625,000 (\$833,333 in 2007). Any additional obligations relating to this stranded investment will be paid by the Cooperative through increased costs of purchased power in future years and are not readily determinable at this time.

#### Note 9 - Deferred Credits

Deferred credits consist of the following:

	<u>2008</u>	<u>2007</u>
Accrued postretirement benefits obligation	\$ 1,084,500	\$ 957,100
Other	<u>147,903</u>	<u>72,694</u>
	<u>\$ 1,232,403</u>	<u>\$ 1,029,794</u>

The Cooperative sponsors post employment health, dental, and life insurance benefits for retired employees. Benefits are provided through NRECA. Contributions by the Cooperative vary, based on the type of benefit provided and the employee's hire date. The liability for such benefits is unfunded. Costs of retiree benefits, other than pensions, are accrued over the service period of the employee.

The following table presents the status of the plan as of December 31:

Accumulated postretirement benefit obligation:		
Retirees and dependents	\$ 868,400	\$ 908,200
Actives fully eligible	4,000	3,600
Other active plan participants	<u>1,042,800</u>	<u>945,400</u>
	1,915,200	1,857,200
Unrecognized transition obligation and unrecognized losses	<u>( 830,700)</u>	<u>( 900,100)</u>
Accrued postretirement benefit cost	<u>\$ 1,084,500</u>	<u>\$ 957,100</u>
Postretirement expense includes the following components:		
Service cost	\$ 43,200	\$ 53,000
Interest on accumulated postretirement benefit obligation	101,800	100,700
Amortization of transition obligation over 20 years	<u>36,300</u>	<u>36,300</u>
	<u>\$ 181,300</u>	<u>\$ 190,300</u>

## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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#### Note 9 - Deferred Credits, continued

For measurement purposes, a 8.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2008 (9% for 2007). The rate was assumed to decrease gradually to 5% at 2016 and remain at that level thereafter. The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 5.75% in 2008 and 2007.

#### Note 10 - Income Taxes

Under Section 501(c)(12) of the Internal Revenue Code, the Cooperative has been granted an exemption from federal income taxes, except for "unrelated" business income. However, for any year in which greater than 15% of gross revenue is derived from nonmember services, the Cooperative becomes taxable on all of its income. The Cooperative is a taxable cooperative for state purposes. The Cooperative was exempt from federal income taxes in 2008 and 2007.

Federal and state taxes payable by taxable cooperatives are computed differently from taxes payable by other corporations, primarily because cooperatives are allowed to deduct margins allocated to patrons within 8-1/2 months after the end of each taxable year.

The wholly-owned subsidiaries, Plumas-Sierra Telecommunications and GotSKY Unlimited, are taxable corporations and file separate income tax returns.

Nonoperating income tax benefit (expense) consists of the following:

	<u>2008</u>	<u>2007</u>
Current federal income tax	\$( 522,062)	\$( 356,447)
Current state income tax	( 174,301)	( 115,849)
Prior year over (under) accrual	11,542	( 15,134)
Decrease in net deferred tax liability	<u>615,700</u>	<u>1,349,400</u>
	<u>\$( 69,121)</u>	<u>\$ 861,970</u>

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change in deferred tax assets and liabilities during the period.

	<u>2008</u>	<u>2007</u>
Deferred income tax asset:		
Net operating loss carryforward	\$ 2,173,100	\$ 2,535,300
Deferred debits	<u>53,000</u>	<u>49,900</u>
	<u>2,226,100</u>	<u>2,585,200</u>
Deferred income tax liability:		
Depreciation differences	( 71,800)	( 32,800)
Installment gain	(1,319,600)	(1,757,400)
Deferred charges	<u>( 25,200)</u>	<u>( 601,200)</u>
	<u>(1,416,600)</u>	<u>(2,391,400)</u>
Net long-term deferred income tax asset	<u>\$ 809,500</u>	<u>\$ 193,800</u>

## **PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements**

Years Ended December 31, 2008 and 2007

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#### **Note 11 - Note Receivable**

Effective July 14, 2004, the Subsidiary sold all of its present and future rights, title, and interest in direct broadcast satellite (DBS) to DIRECTV, Inc. As a result of the sale, the subsidiary no longer possesses an exclusive DBS territory or an interest in the DBS subscribers. Total proceeds from the sale, including interest, are \$10,194,800.

Under the terms of the agreement, the Subsidiary will receive approximately \$121,400 a month, principal and interest at 8.576%, beginning in August 2004, and ending in June 2011. At December 31, 2008, the note receivable balance, less current portion is 2,147,871 (\$3,363,178 in 2007). Current portion at December 31, 2008 is \$1,215,307 (\$1,115,771 in 2007). The note receivable has been assigned by Plumas Sierra Telecommunications as a security agreement to NCSC for the \$3.5 million loan agreement executed December 7, 2007 by GotSKY Unlimited.

For income tax purposes, the gain is recognized as payments on the note receivable are collected, which results in a timing difference between book and tax and a deferred income tax liability.

The Subsidiary entered into separate agreements with DIRECTV to provide retailing, billing, collection, and other services to DIRECTV on a monthly, per subscriber basis. These agreements expire on June 30, 2011.



**SUPPLEMENTAL INFORMATION**



ALASKA | CALIFORNIA | OREGON | INDIA

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phone 503.585.7774 fax 503.364.8405

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors  
Plumas-Sierra Rural Electric Cooperative and Subsidiaries  
Portola, California

Our report on our audits of the consolidated financial statements of Plumas-Sierra Rural Electric Cooperative and Subsidiaries for the years ended December 31, 2008 and 2007 appears on page 1. Those audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the December 31, 2008 consolidated financial statements, rather than to present financial position, results of operations, and cash flows of the individual companies. Accordingly, we do not express an opinion on the financial position, results of operations, and cash flows of the individual companies.

The supplemental information is presented for purposes of additional analysis and is not a required part of the December 31, 2008 consolidated financial statements.

The consolidating and other supplemental information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*AKT LLP*

Salem, Oregon  
April 24, 2009

## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Consolidating Balance Sheets

December 31, 2008

<b>ASSETS</b>	Plumas-Sierra Rural Electric Cooperative	Plumas-Sierra Telecom- munications	Got Sky Unlimited, Inc.	Eliminations	Consolidated
Electric Plant:					
Plant in service	\$ 71,394,807	\$ -	\$ -	\$ -	\$ 71,394,807
Construction work in progress	10,907,943	-	-	-	10,907,943
	82,302,750	-	-	-	82,302,750
Provision for accumulated depreciation	(28,438,188)	-	-	-	(28,438,188)
Electric Plant, net	53,864,562	-	-	-	53,864,562
Other Assets and Investments:					
Nonutility property	-	429,592	4,333,677	-	4,763,269
Provision for accumulated depreciation	-	(235,601)	(1,152,204)	-	(1,387,805)
Investment in associated organizations	5,070,940	1,581,993	1,129,138	(3,389,743)	4,392,328
Note receivable less current portion	-	2,147,871	-	-	2,147,871
NCPA reserve fund	1,044,314	-	-	-	1,044,314
Deferred income taxes	-	(1,325,000)	2,134,500	-	809,500
Total Other Assets and Investments	6,115,254	2,598,855	6,445,111	(3,389,743)	11,769,477
Current Assets:					
Cash and cash equivalents - checking and savings	644,811	223,130	259,628	-	1,127,569
Accounts receivable	3,793,918	456,807	1,327,975	-	5,578,700
Due from affiliate	3,619,735	1,893,120	1,152	(5,514,007)	-
Note receivable, current portion	-	1,215,307	-	-	1,215,307
Materials and supplies	1,496,208	-	-	-	1,496,208
Inventory	-	1,094	107,877	-	108,971
Prepayments	680,094	-	-	-	680,094
Other assets	201,052	-	-	-	201,052
Total Current Assets	10,435,818	3,789,458	1,696,632	(5,514,007)	10,407,901
Deferred Charges	3,273,279	-	63,237	-	3,336,516
	<u>\$ 73,688,913</u>	<u>\$ 6,388,313</u>	<u>\$ 8,204,980</u>	<u>\$ (8,903,750)</u>	<u>\$ 79,378,456</u>

<b>EQUITIES AND LIABILITIES</b>	Plumas-Sierra Rural Electric Cooperative	Plumas-Sierra Telecom- munications	Got Sky Unlimited, Inc.	Eliminations	Consolidated
<b>Equities and Margins:</b>					
Memberships	\$ 32,690	\$ -	\$ -	\$ -	\$ 32,690
Patronage capital	18,925,938	5,361,366	(1,971,623)	(3,389,743)	18,925,938
Donated capital	25,263	-	-	-	25,263
Total Equities and Margins	18,983,891	5,361,366	(1,971,623)	(3,389,743)	18,983,891
 Long-Term Debt	 28,701,917	 -	 2,518,868	 -	 31,220,785
 <b>Current Liabilities:</b>					
Lines of credit	19,674,536	-	-	-	19,674,536
Current maturities of long-term debt	1,384,000	-	1,331,991	-	2,715,991
Accounts payable, trade	1,179,997	763,204	401,262	-	2,344,463
Taxes payable	-	248,099	-	-	248,099
Due to affiliate	231,458	1,152	5,281,397	(5,514,007)	-
Consumer deposits	133,165	-	-	-	133,165
Unearned revenue	-	14,492	622,223	-	636,715
Other liabilities	1,484,890	-	20,862	-	1,505,752
Total Current Liabilities	24,088,046	1,026,947	7,657,735	(5,514,007)	27,258,721
 <b>Other Liabilities:</b>					
Consumer advances for construction	57,656	-	-	-	57,656
NCPA obligation	625,000	-	-	-	625,000
Deferred credits	1,232,403	-	-	-	1,232,403
Total Other Liabilities	1,915,059	-	-	-	1,915,059
	<u>\$ 73,688,913</u>	<u>\$ 6,388,313</u>	<u>\$ 8,204,980</u>	<u>\$ (8,903,750)</u>	<u>\$ 79,378,456</u>

## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Consolidating Statements of Operations

Year Ended December 31, 2008

	Plumas-Sierra Rural Electric Cooperative	Plumas-Sierra Telecom- munications	Got Sky Unlimited	Eliminations	Consolidated
Operating Revenues	\$ 23,123,981	\$ -	\$ -	\$ -	\$ 23,123,981
Operating Expenses:					
Cost of power	12,746,977	-	-	-	12,746,977
Transmission	443,759	-	-	-	443,759
Distribution - operation and maintenance	2,431,613	-	-	-	2,431,613
Customer accounts	714,765	-	-	-	714,765
Customer service and information	368,466	-	-	-	368,466
Administrative and general	1,553,455	-	-	-	1,553,455
Depreciation and amortization	1,447,123	-	-	-	1,447,123
Property taxes	402,580	-	-	-	402,580
Miscellaneous	5,339	-	-	-	5,339
Total Operating Expenses	20,114,077	-	-	-	20,114,077
Operating Margin Before Fixed Charges	3,009,904	-	-	-	3,009,904
Fixed Charges - Interest on Long-Term Debt	1,994,227	5,357	483,492	(179,378)	2,303,698
Operating Margin (Loss) After Fixed Charges	1,015,677	(5,357)	(483,492)	179,378	706,206
Patronage Capital Credit Allocations	152,324	688,349	1,302,626	-	2,143,299
Net Operating Margin (carried forward)	\$ 1,168,001	\$ 682,992	\$ 819,134	\$ 179,378	\$ 2,849,505

## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Consolidating Statements of Operations, continued

Year Ended December 31, 2008

	Plumas-Sierra Rural Electric Cooperative	Plumas-Sierra Telecom- munications	Got Sky Unlimited, Inc.	Eliminations	Consolidated
Net Operating Margin (brought forward)	\$ 1,168,001	\$ 682,992	\$ 819,134	\$ 179,378	\$ 2,849,505
Nonoperating Revenues (Expenses):					
Interest income	278,272	341,598	1,720	(179,378)	442,212
Satellite television operations:					
Revenue	-	717,314	-	-	717,314
Expenses	-	(78,423)	-	-	(78,423)
Internet operations:					
Revenue	-	209,154	8,989,564	-	9,198,718
Programming and equipment costs	-	-	(5,173,248)	-	(5,173,248)
Operations expense	-	(697,663)	(870,032)	-	(1,567,695)
Customer support and billing	-	(21,466)	(942,532)	-	(963,998)
Administrative and general expense	-	(498,659)	(767,719)	-	(1,266,378)
Depreciation and amortization	-	(39,660)	(958,534)	-	(998,194)
Amortization of deferred installation costs	-	-	(1,465,994)	-	(1,465,994)
Income tax benefit (expense)	(25,420)	(203,078)	159,377	-	(69,121)
Verizon operations, net	-	-	32,684	-	32,684
Miscellaneous	69,700	-	(183,482)	(53,047)	(166,829)
Total Nonoperating Revenues (Expenses), net	322,552	(270,883)	(1,178,196)	(232,425)	(1,358,952)
Net Margin (Loss)	\$ 1,490,553	\$ 412,109	\$ (359,062)	\$ (53,047)	\$ 1,490,553

**PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES**

**Consolidating Statements of Cash Flows**

Year Ended December 31, 2008

	Plumas-Sierra Rural Electric Cooperative	Plumas-Sierra Telecom- munications	Got Sky Unlimited, Inc.	Eliminations	Consolidated
Cash Flows from Operating Activities:					
Net margin (loss)	\$ 1,490,553	\$ 412,109	\$ (359,062)	\$ (53,047)	\$ 1,490,553
Adjustments to reconcile net margin (loss) to net cash provided (used) by operating activities:					
Depreciation	1,447,123	-	-	-	1,447,123
Depreciation on nonutility property	-	47,774	973,976	-	1,021,750
Amortization of deferred installation costs	-	-	1,465,994	-	1,465,994
Income from subsidiary	(53,047)	-	-	53,047	-
Loss on sale of equipment	-	-	192,849	-	192,849
Patronage capital credit allocations	(152,324)	(688,349)	(1,302,626)	-	(2,143,299)
Change in deferred income taxes	-	(442,300)	(173,400)	-	(615,700)
Change in NCPA reserve	44,961	-	-	-	44,961
Change in NCPA obligation	(208,333)	-	-	-	(208,333)
Change in power cost adjustment	220,000	-	-	-	220,000
Changes in assets and liabilities:					
Accounts receivable	(792,562)	84,873	89,950	-	(617,739)
Due from affiliate	335,542	(684,702)	(1,152)	350,312	-
Prepayments	(615,559)	8,402	59,162	-	(547,995)
Other assets	(39,248)	-	-	-	(39,248)
Deferred charges	(121,554)	-	-	-	(121,554)
Inventory	-	7,848	491,317	-	499,165
Accounts payable, trade	775,628	(27,133)	(1,020,907)	-	(272,412)
Due to affiliate	231,458	(404,783)	523,637	(350,312)	-
Consumer deposits	21,100	-	-	-	21,100
Taxes payable	-	248,099	-	-	248,099
Unearned revenue	-	(6,005)	-	-	(6,005)
Other liabilities	149,134	-	(7,044)	-	142,090
Deferred credits	202,609	-	(125,574)	-	77,035
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,935,481</u>	<u>\$ (1,444,167)</u>	<u>\$ 807,120</u>	<u>\$ -</u>	<u>\$ 2,298,434</u>

**PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES**

**Consolidating Statements of Cash Flows, continued**

Year Ended December 31, 2008

	Plumas-Sierra Rural Electric Cooperative	Plumas-Sierra Telecom- munications	Got Sky Unlimited, Inc.	Eliminations	Consolidated
Cash Flows From Investing Activities:					
Plant additions	\$ (9,944,238)	\$ -	\$ -	\$ -	\$ (9,944,238)
Purchases of nonutility property	-	-	(651,967)	-	(651,967)
Increase in deferred installation costs	-	-	(19,868)	-	(19,868)
Plant removal costs	(250,502)	-	-	-	(250,502)
Material salvaged from retirements	69,432	-	-	-	69,432
Decrease in materials and supplies	85,170	-	-	-	85,170
Payments received on note receivable	-	1,115,771	-	-	1,115,771
Reinvested interest	(32,571)	-	-	-	(32,571)
Proceeds from investments	269,697	214,462	350,936	-	835,095
Net Cash Provided (Used) by Investing Activities	<u>(9,803,012)</u>	<u>1,330,233</u>	<u>(320,899)</u>	<u>-</u>	<u>(8,793,678)</u>
Cash Flows from Financing Activities					
Net increase in memberships	260	-	-	-	260
Capital credits retired/offset	(123,889)	-	-	-	(123,889)
Net borrowings on lines of credit	8,568,886	-	-	-	8,568,886
Loan funds advanced	-	-	900,000	-	900,000
Long-term debt payments	(1,289,291)	-	(1,184,035)	-	(2,473,326)
Decrease in consumer advances for construction	(15,634)	-	-	-	(15,634)
Net Cash Provided (Used) by Financing Activities	<u>7,140,332</u>	<u>-</u>	<u>(284,035)</u>	<u>-</u>	<u>6,856,297</u>
Net Increase (Decrease) in Cash and Cash Equivalents	272,801	(113,934)	202,186	-	361,053
Cash and Cash Equivalents, beginning	<u>372,010</u>	<u>337,064</u>	<u>57,442</u>	<u>-</u>	<u>766,516</u>
Cash and Cash Equivalents, ending	<u>\$ 644,811</u>	<u>\$ 223,130</u>	<u>\$ 259,628</u>	<u>\$ -</u>	<u>\$ 1,127,569</u>
Cash Paid During the Year for Interest, net of amount capitalized	<u>\$ 1,881,353</u>	<u>\$ 3,537</u>	<u>\$ 483,492</u>	<u>\$ (179,378)</u>	<u>\$ 2,189,004</u>
Cash Paid During the Year for Income Taxes	<u>\$ 21,503</u>	<u>\$ 386,876</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408,379</u>



## PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE AND SUBSIDIARIES

### Consolidated Financial Ratios

Years Ended December 31, 2008 and 2007

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		<u>2008</u>	<u>2007</u>
TIMES INTEREST EARNED RATIO (TIER):			
<u>Net Margins + Interest Expense</u>			
Interest Expense	=	1.65	1.30
OPERATING TIER:			
<u>Operating Margin (loss) + Interest Expense</u>			
Interest Expense	=	1.31	1.60
DEBT SERVICE COVERAGE (DSC):			
<u>Margins + Interest + Depreciation and Amortization</u>			
Principal and Interest Payments	=	1.55	1.55
EQUITY RATIO:			
<u>Equity</u>			
Total Assets	=	23.92	24.80
CURRENT ASSET RATIO:			
<u>Current Assets</u>			
Current Liabilities	=	0.38	0.51

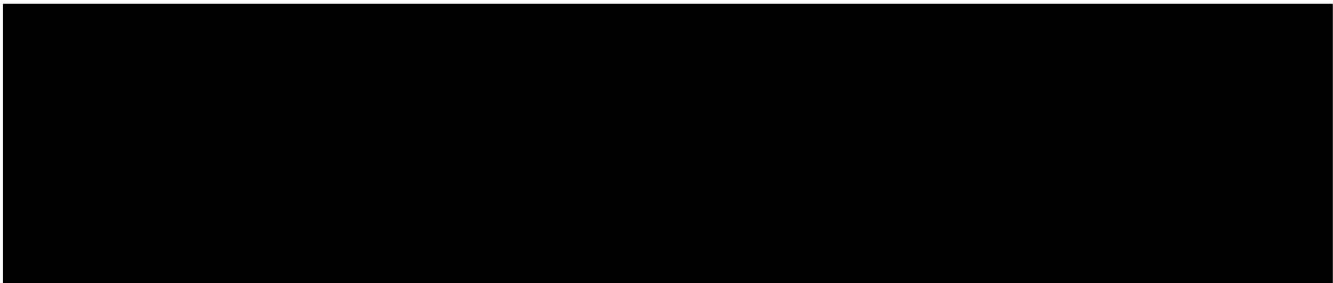


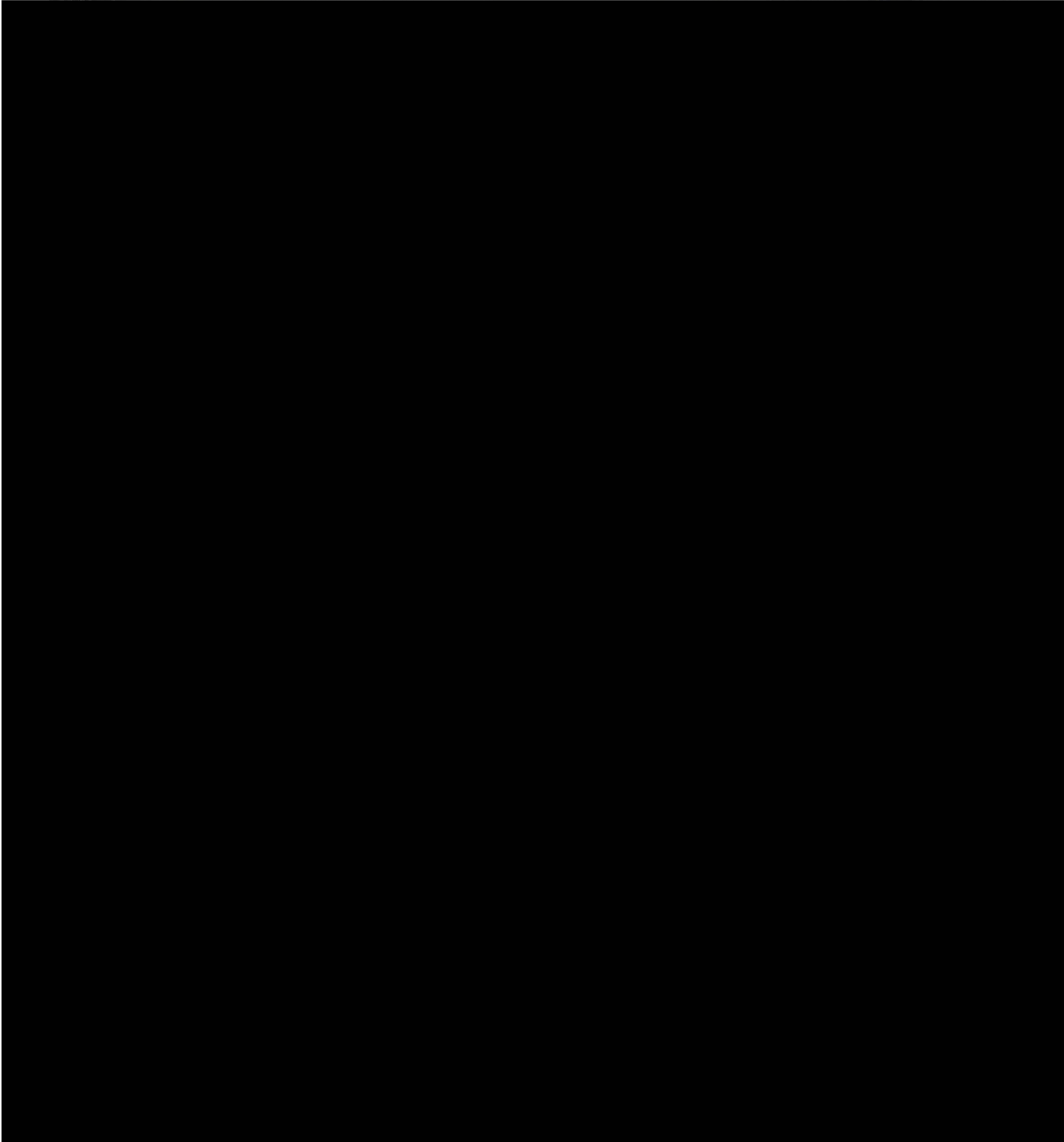
# Comprehensive Community Infrastructure Budget Narrative Template

<b>Applicant Name:</b>	<b>Plumas Sierra Telecommunications</b>
<b>EasyGrants Number:</b>	<b>5684</b>
<b>Organization Type:</b>	<b>For Profit</b>
<b>Proposed Period of Performance:</b>	
<b>Total Project Costs:</b>	<b>\$17,212,800</b>
<b>Total Federal Grant Request:</b>	<b>\$13,770,240</b>
<b>Total Matching Funds (Cash):</b>	<b>\$1,721,280</b>
<b>Total Matching Funds (In-Kind):</b>	<b>\$1,721,280</b>
<b>Total Matching Funds (Cash + In-Kind):</b>	<b>\$3,442,560</b>
<b>Total Matching Funds (Cash + In-Kind) as Percentage of Total Project Costs:</b>	<b>20 %</b>

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**1. Administrative and legal expenses - \$434,100**

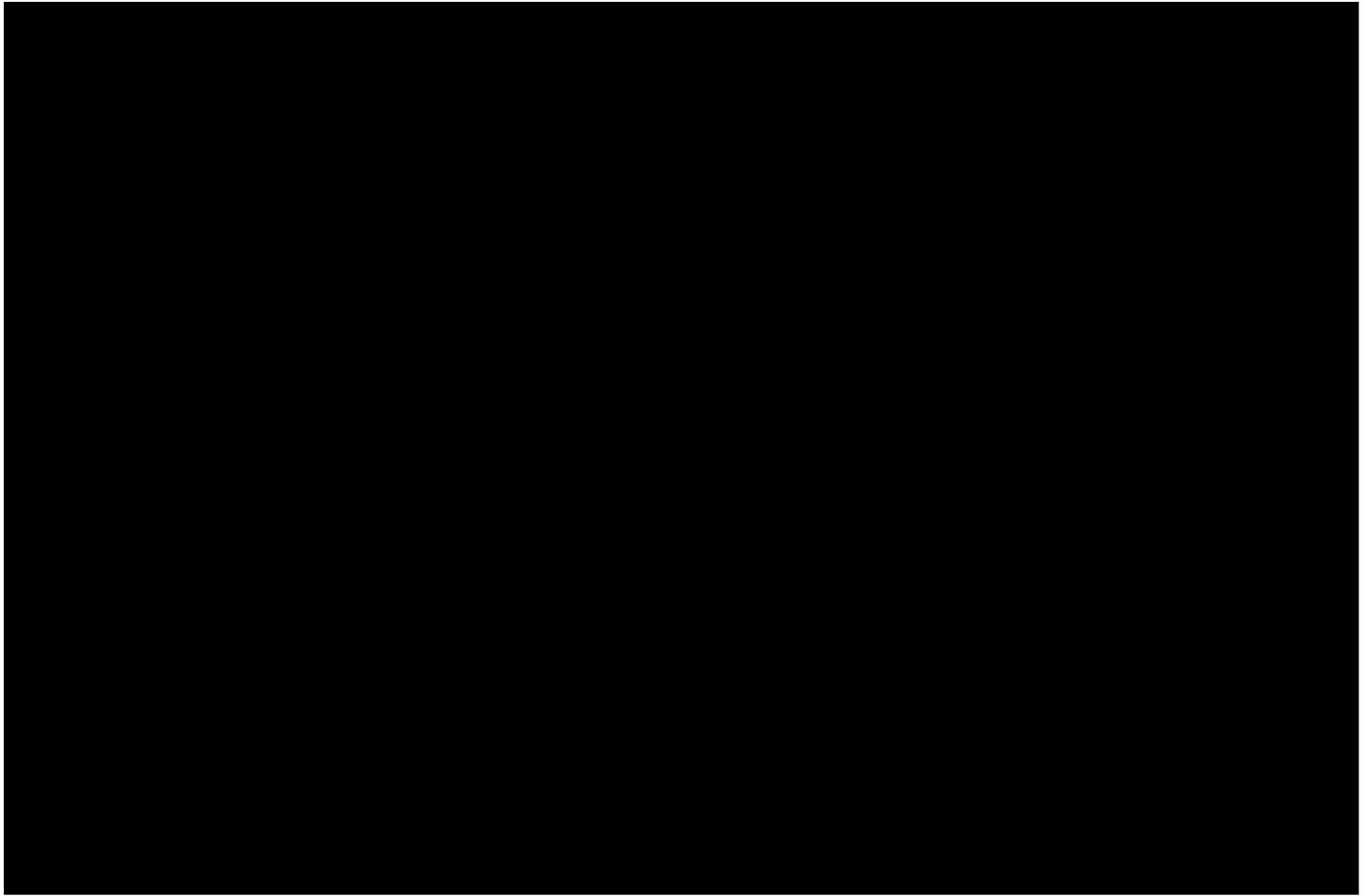






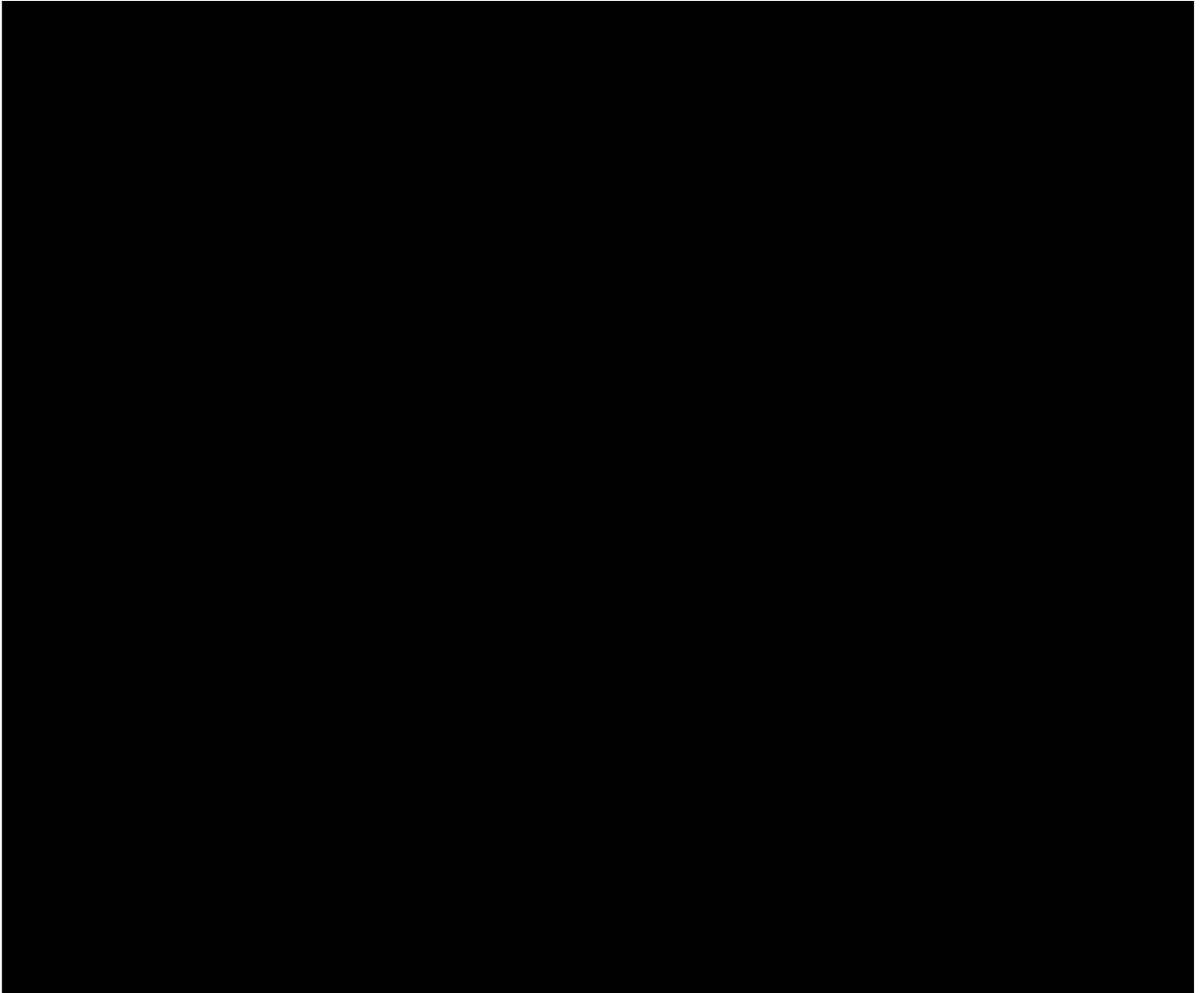


**4. Architectural and engineering fees - \$489,400**

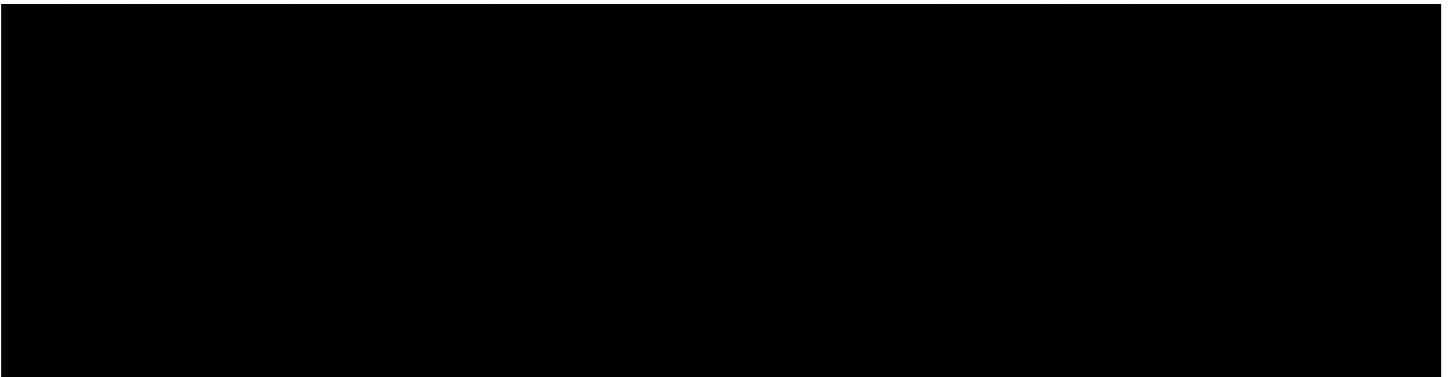




**5. Other architectural and engineering fees - \$466,144**

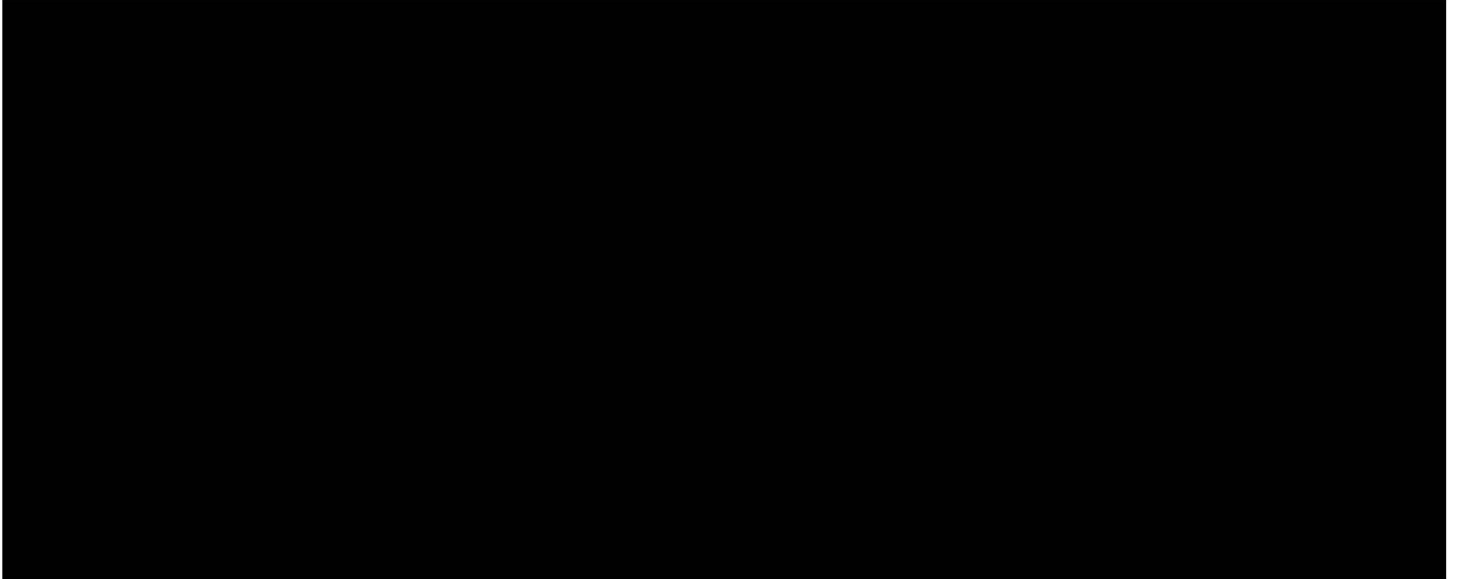


**6. Project inspection fees - \$91,200**





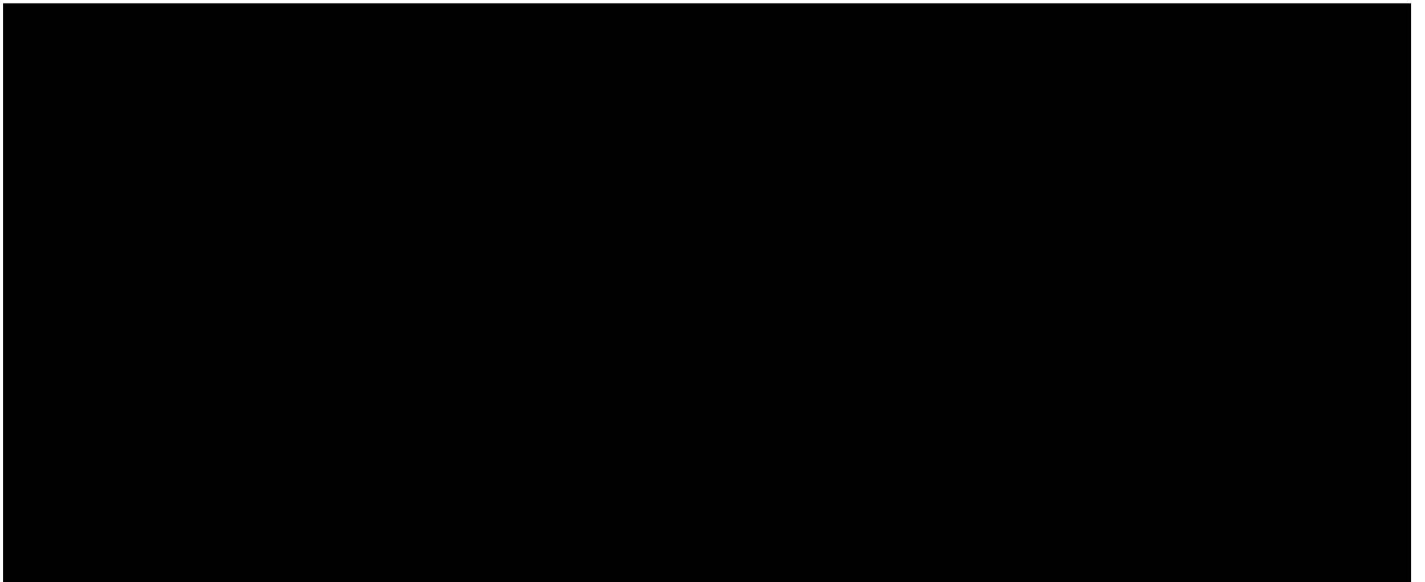
**7. Site work - \$45,475**

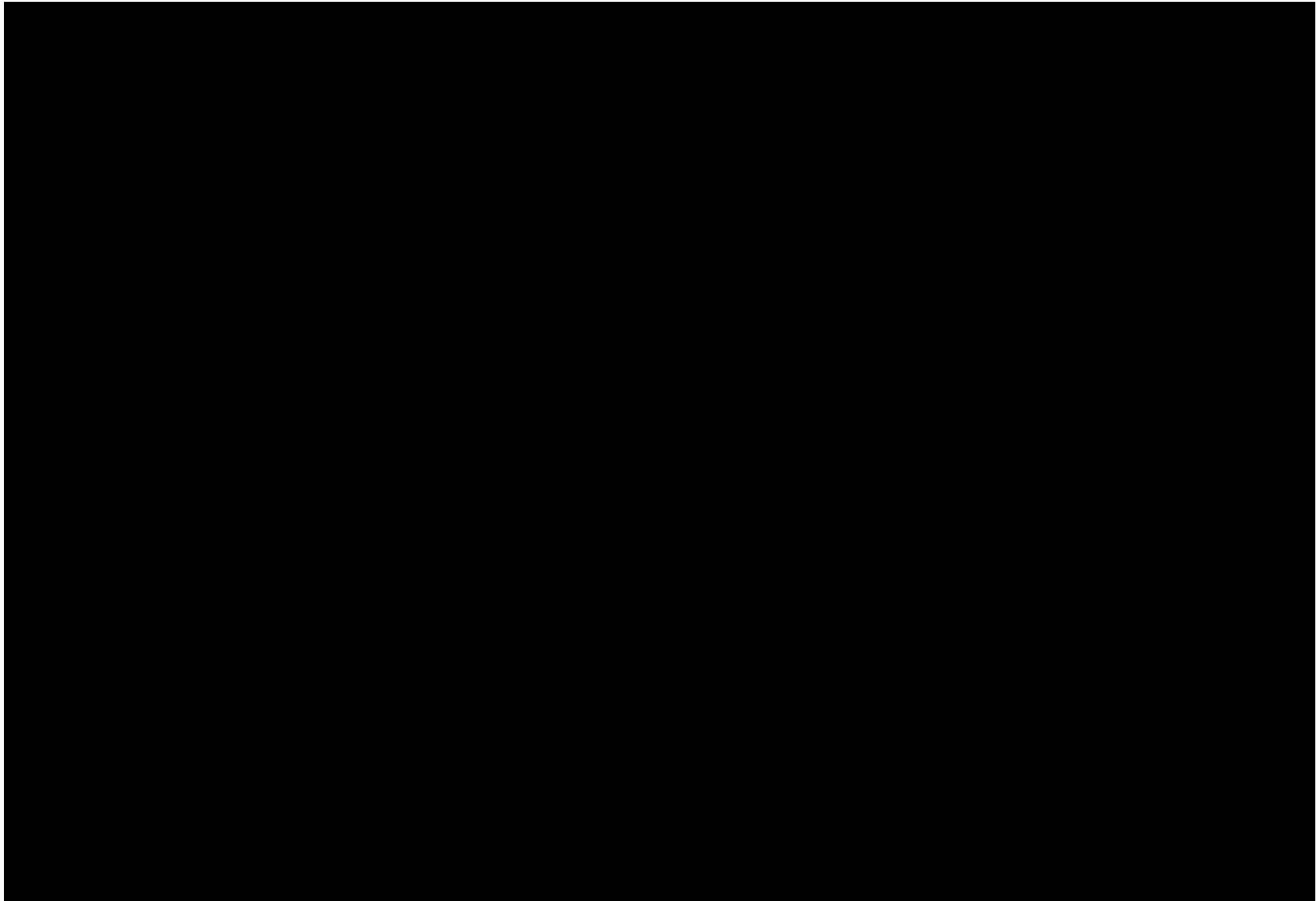


**8. Demolition and removal - \$0**



**9. Construction - \$14,389,279**





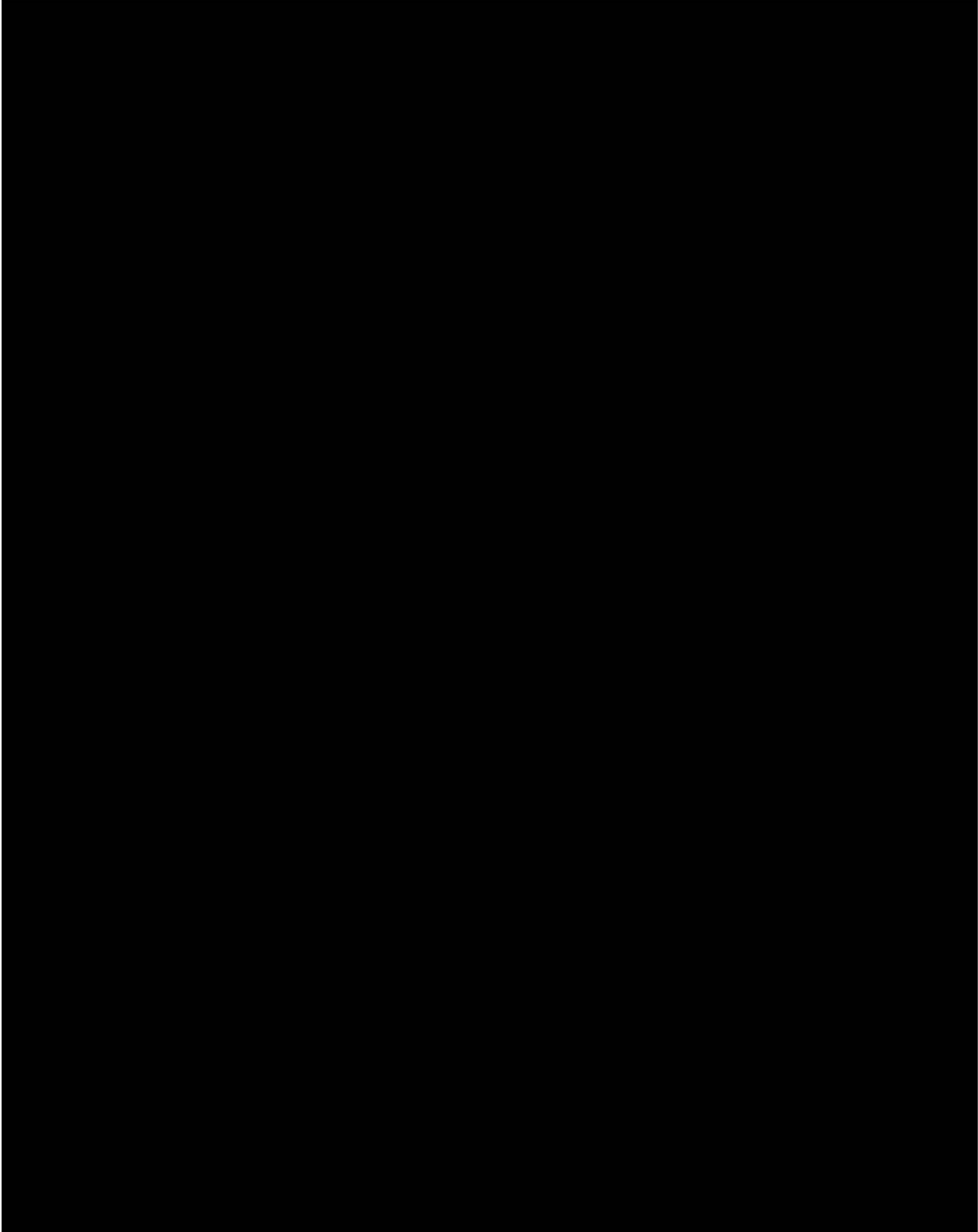
The generators identified in the budget are part of the Uninterruptible Power System (UPS) which is a critical network component and therefore a standard industry practice in the telecommunications infrastructure. The generator is one of two power sources (battery and generator) that provide redundancy, should commercial power fail. The generators are a stationary, permanently connected part of the network infrastructure -- supporting the node, central office or head end.

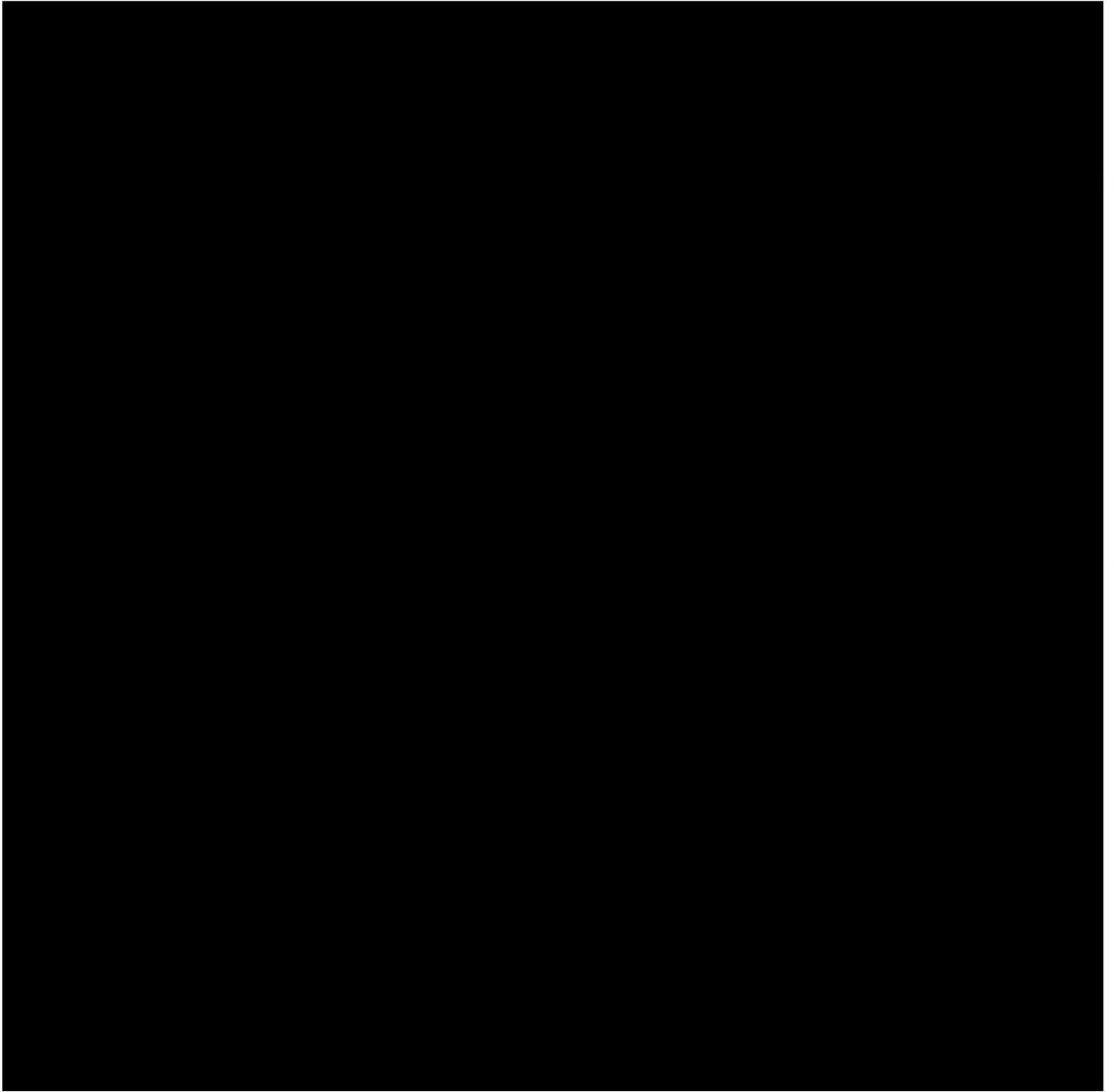
**Please Refer to the Table on the Next Page--Cables**

The detailed list of budget items relates to the cable for the mid-mile project. The largest line items are identified as the cable for either 48, 72, or 144 strand and for different types of composite cable. These estimates have been based on the route of the fiber project, as various sections of the project have different cable needs. The estimates are based on field measurements.

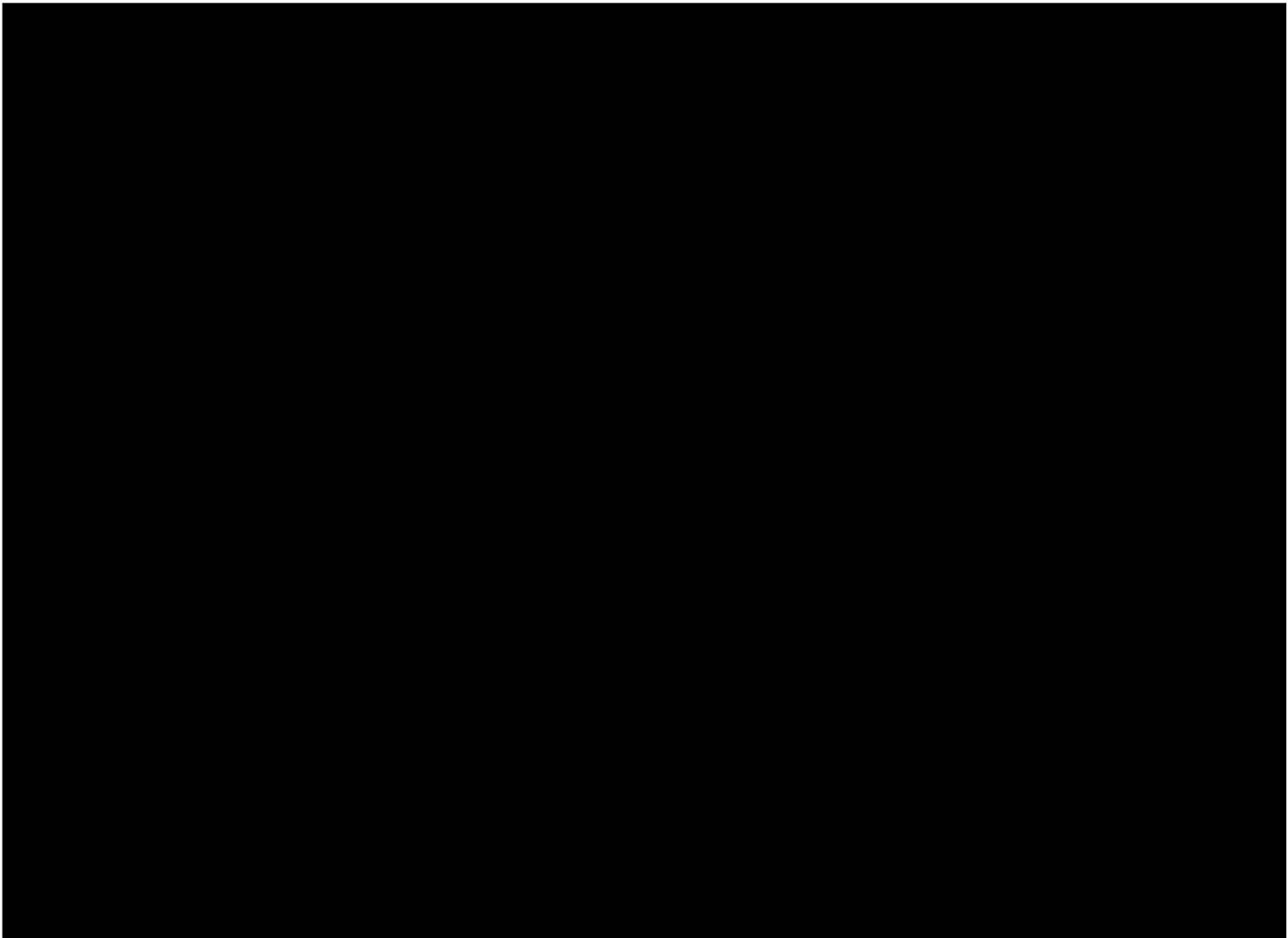
The items which are noted as an In-Kind match are the line items where the work will be done by the parent company, PSREC, electric line crews. In arriving at the unit cost, the loaded labor cost of the line crew and their associated bucket trucks and vehicles was calculated. The line crew has the expertise and equipment to place the fiber cable, down guys, and risers.



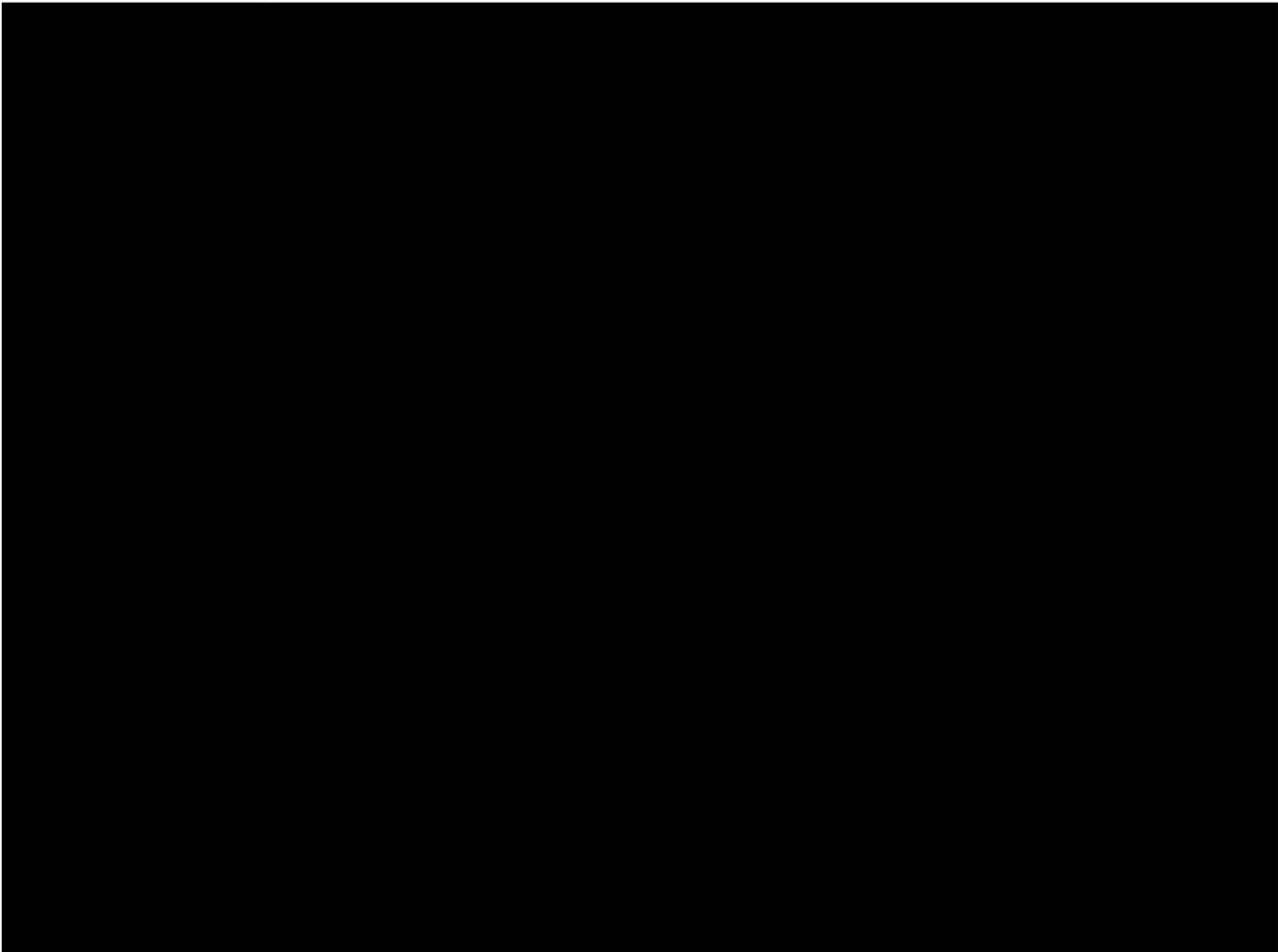




The portion of the route from the Reno, Nevada hub to the California-Nevada border will need to be underground. The costs above provide the details for the trenching costs, boring, and equipment for the underground portion of the installation. The last line item is the internal labor for the installation of the underground cable, which will be an In-Kind match from PSREC as the line crews will be responsible for this task. The Cash Match is, as noted earlier, “spending” some of the cash match dollars.



This portion of the Construction budget relates to the Poles subcategory. Since all of the California route will be placed on the parent company’s electric transmission and distribution poles, the Pole Leased Space—Initial Attachment is being treated as an In-Kind contribution. This ability to co-locate on the same poles as the electric system is a significant savings for the overall mid-mile fiber project. The other In-Kind contribution from PSREC is the “internal labor” work related to the setting of the 6 additional poles and the associated placement of the anchor, guard arm, F-arm, and step pole.



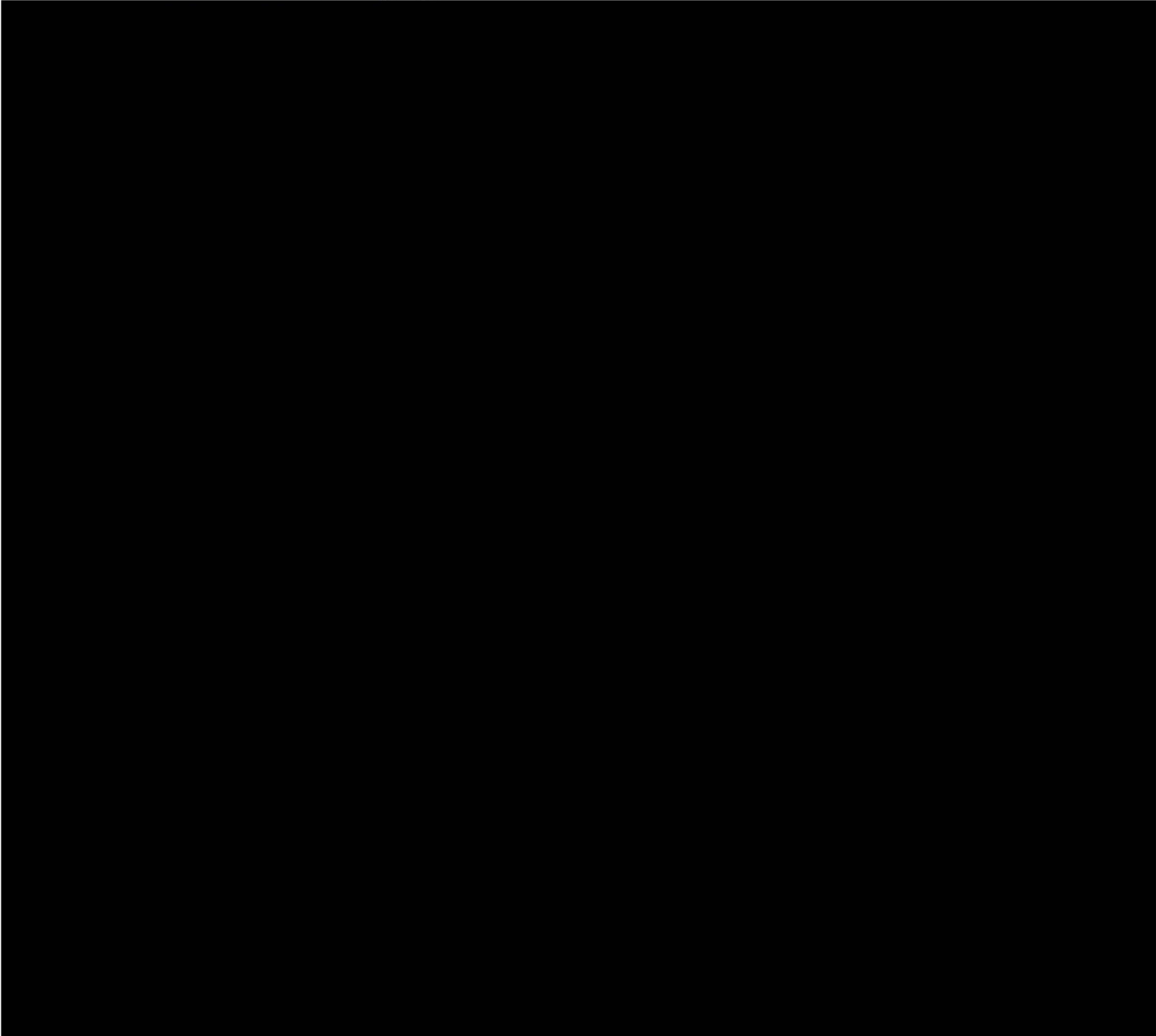
This is the final section of the Line 9 Construction costs. Under the subcategory “Other,” the permits are required for the construction project. The line item for the Business Processes, which involves the documentation of all of the new processes, is being split as an in-kind contribution and federal funding. As an in-kind contribution, some of the work will be done by the parent company employees and the rest will be contracted labor.

The In-Kind match for the telephone and internet, during the construction phase, will be covered by the parent company, Plumas Sierra Rural Electric Cooperative (PSREC). The Utilities line item covers costs of water, sewer, gas, electricity, etc for the construction module and similar locations.

Under the subcategory “Project Management,” it is critical to have an experienced, contracted Project Construction manager, which is based on a standard industry rate of \$125 per hour. Contractors will handle contract administration and agency liaison. The applications and filing fees are estimated costs based on the consultant’s best estimate and prior experience with this type of construction project.



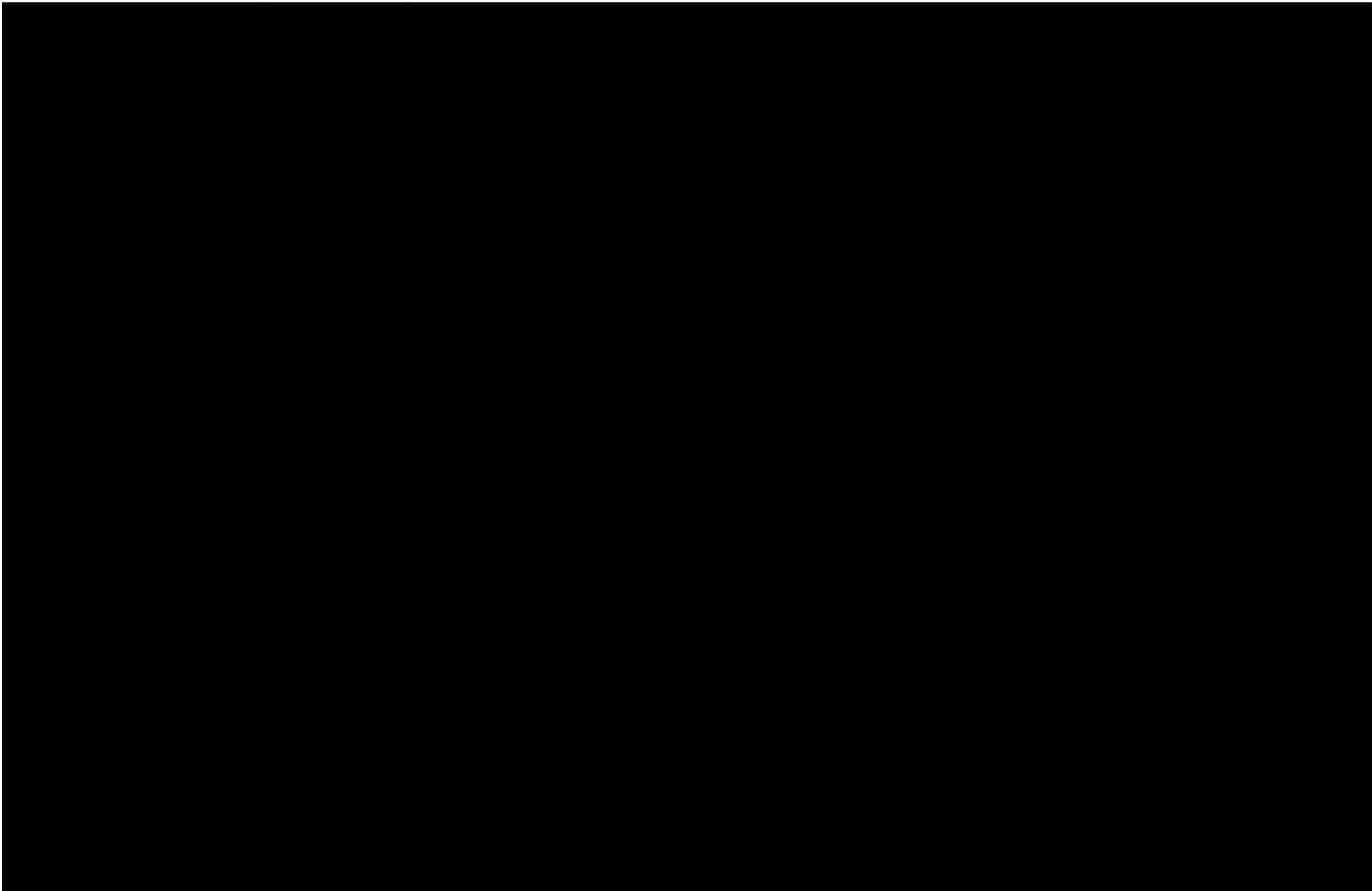
**10. Equipment - \$639,339**



The line items in Billing Support are for the Network management software and Operational Support software, routers, Cisco management software, server and Oracle database, which are all related to the overall construction budget. The Operating Equipment is for the project management team and the Network Operations Center (NOC). The In-Kind match of furniture and communications equipment is being provided by the parent, PSREC.



**11. Miscellaneous - \$204,780**



The Support of Reasonableness column provides more details on the various costs by line item, which are all based on an industry standard per location.

The In-kind match on the annual pole attachment fee is from the parent, PSREC. The project will have 2,563 poles that will have the fiber attached to.

**13. Contingencies - \$0**

*- Contingencies are an unallowable expenditure under BTOP.*

**15. Project (program) income - \$0**

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



**Addendum**

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

***Note: Verify that indirects are calculated correctly and are eligible BTOP costs. To clarify, reasonable indirect costs under BTOP are only allowable for Full Time Employees (FTEs) associated with the construction, deployment, or installation of facilities or equipment used to provide broadband service.***

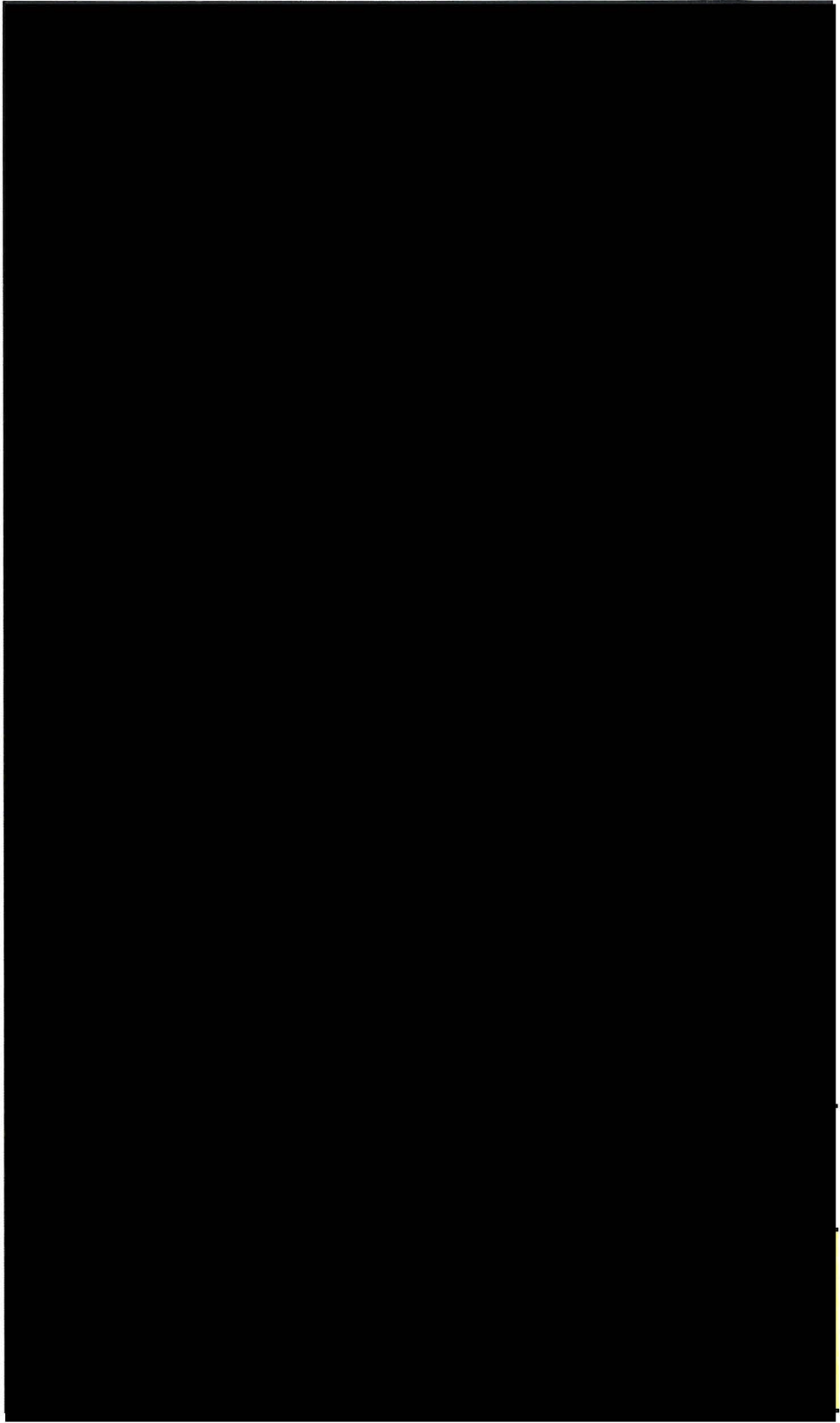
## **Project Plan**

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

**Easygrants:** 5684

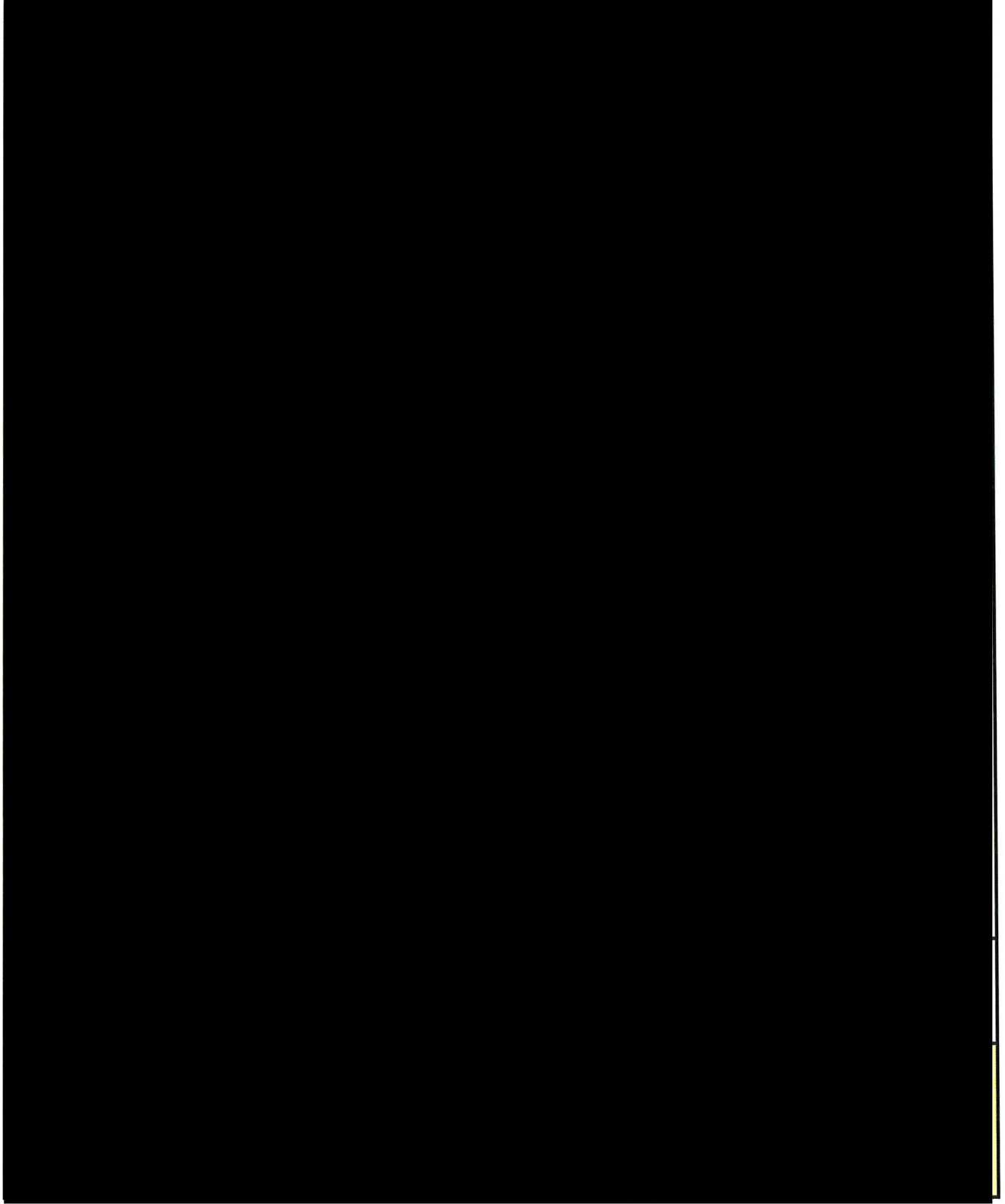
**Project Title:** Plumas-Sierra Telecommunications (PST) Mid Mile Fiber Project





Easygrants: 5684

Project Title: Plumas-Sierra Telecommunications (PST) Mid Mile Fiber Project

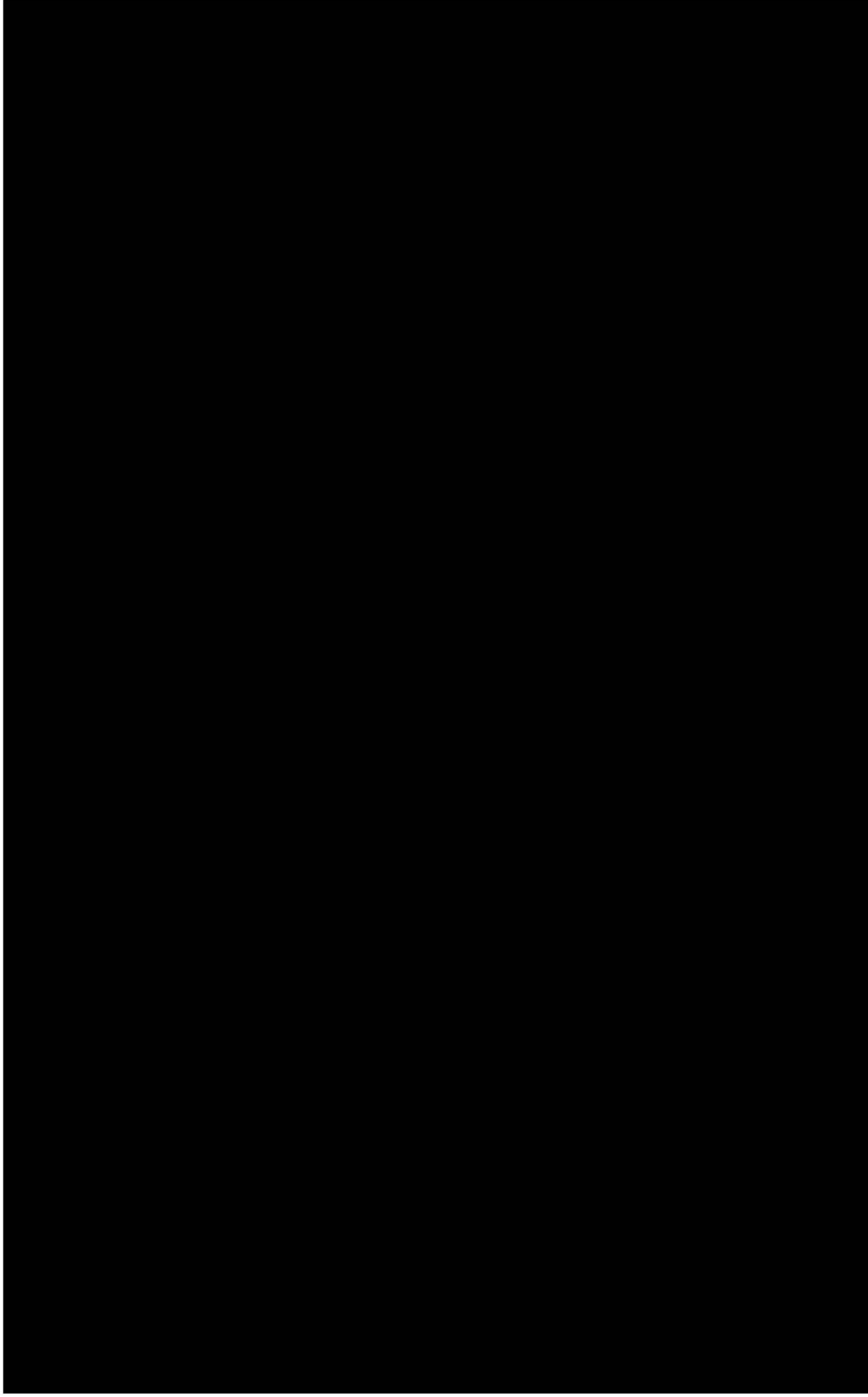


Easygrants: 5684

Project Title: Plumas-Sierra Telecommunications (PST) Mid Mile Fiber Project

Year 3	Qtr. 1	
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**KEY CHALLENGES AND MITIGATION PLANS**

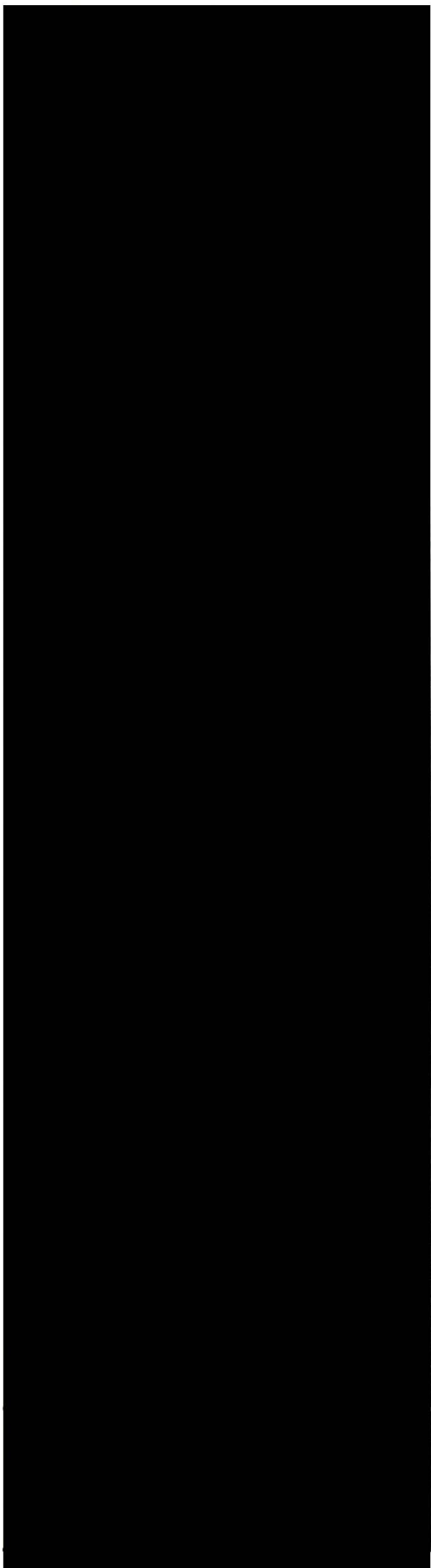


**Build-out Timeline**

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

**Easygrants:** 5684

**Project Title:** Plumas-Sierra Telecommunications (PST) Mid Mile Fiber Project



### CERTIFICATION REGARDING LOBBYING

Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, "New Restrictions on Lobbying." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant, or cooperative agreement.

#### LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

**As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.**

#### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

NAME OF APPLICANT

AWARD NUMBER AND/OR PROJECT NAME

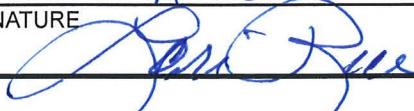
PLUMAS SIERRA RURAL ELECTRIC COOPERATIVE #5684

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

LORI RICE

SIGNATURE

DATE



5-20-10

### CERTIFICATION REGARDING LOBBYING LOWER TIER COVERED TRANSACTIONS

Applicants should review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, "New Restrictions on Lobbying."

#### LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

#### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

NAME OF APPLICANT

AWARD NUMBER AND/OR PROJECT NAME

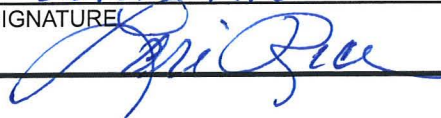
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PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

LORI RICE

SIGNATURE

DATE



5-20-10

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

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

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

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

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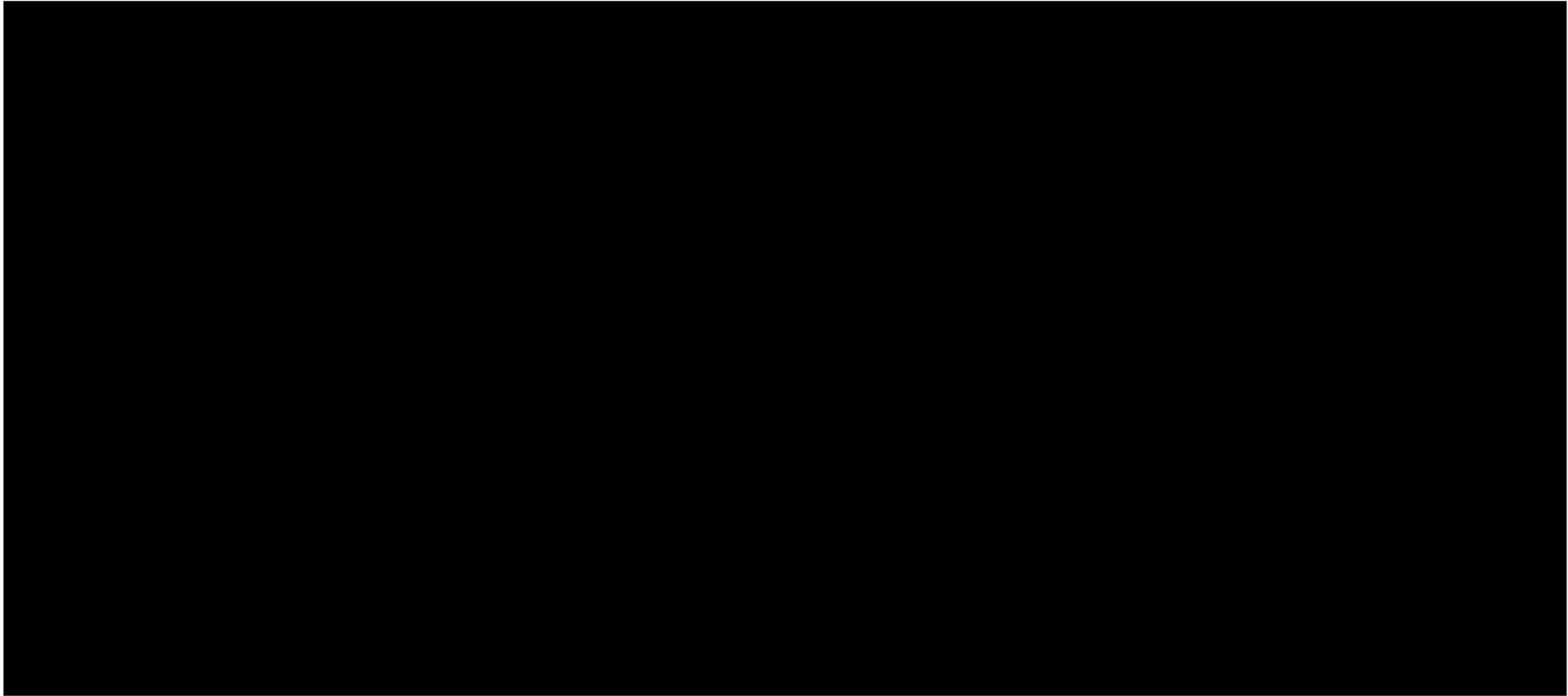
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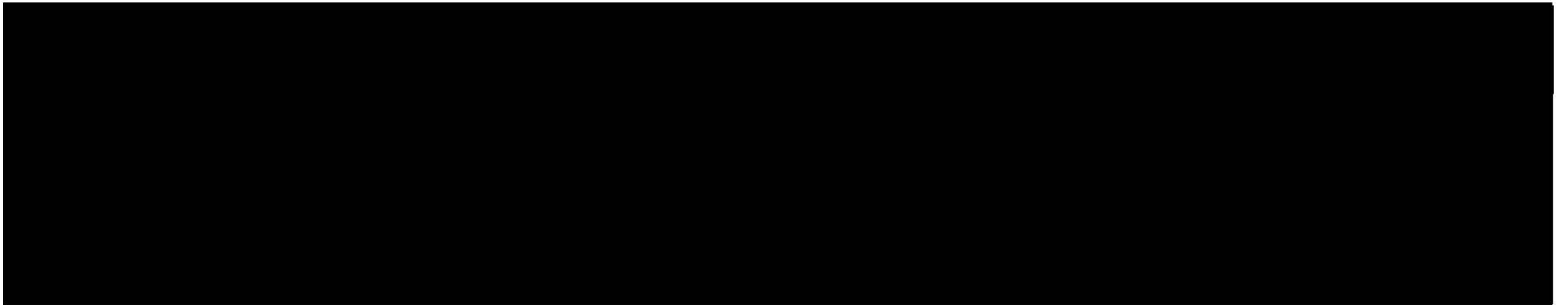




**BTOP CCI Network Points of Interest Detail Template**

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## **BTOP Comprehensive Community Infrastructure Detailed Budget**

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

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

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

12 Pages

withheld in their entirety  
pursuant to FOIA Exemption 4  
(5 U.S.C. § 552 (b)(4))