

JOSEPHINE COUNTY, OREGON

STATISTICAL SECTION





The Applegate (Murphy) Bridge on Highway 238 near Murphy, Oregon was built in 1935 by Glenn S. Paxson. It is a steel truss bridge with Parker through truss construction and spans 450 feet. This was the truss type of construction predominate at the time and is now obsolete. It was replaced by a steel plate girder bridge in 2004.



INFORMATION ABOUT THE STATISTICAL SECTION

The purpose of this Statistical Section is to provide additional information about the economic condition of Josephine County. It is organized around five objectives, as described below.

Information about financial trends. The following schedules are intended to help the reader assess how the County's financial position has changed over time. The Notes to Financial Statements – Note 1, Section B describes the financial statements that these schedules are derived from and Section C describes the basis of accounting used for government-wide and governmental fund financial statements.

- **Government-wide Net Assets by Component** schedule for the last ten fiscal years. The data is broken down by the Governmental Activities and Business-type Activities conducted by the County, and is derived from the Statement of Net Assets for each of the fiscal years.
- **Government-wide Changes in Net Assets** schedule for each of the last ten fiscal years. This schedule is derived from the Statement of Activities for each of the fiscal years. Fiscal 2007 shows the financial effect of outsourcing mental health services. Fiscal 2013 shows the financial effect of the loss of the O&C funding, as discussed in Management's Discussion and Analysis at the front of this report.
- **Fund Balances of Governmental Funds** schedule for each of the last ten fiscal years. This schedule is derived from the Balance Sheet of the governmental funds for each of the fiscal years. The growth in fund balance reflects a portion of safety net monies being carried over through fiscal 2013 in the Public Safety Fund in anticipation of the loss of the O&C funding.
- **Changes in Fund Balances of Governmental Funds** for each of the last ten fiscal years. This schedule shows a fairly stable level in revenues and expenditures through fiscal 2006 followed by reductions associated with the changes related to the loss of the O&C funding.

Information about revenue capacity. The following schedules provide information about the County's ability to generate its primary own-source revenue, which are property taxes. They give trend information and show that the County is not dependent on any one or small group of taxpayers.

- **Assessed and Real Market Values of Taxable Property** shows the ever-widening gap between the market values and assessed values of taxable property due to the limitation imposed on assessed values by Ballot Measure 50. In fiscal 2009 this trend reversed due to the drop in real market values caused by the economic downturn. However, under Measure 50, assessed values of individual properties continue to increase, generally by 3% annually, unless they exceed real market value.
- **Direct and Overlapping Tax Rates** provides information on how property taxpayers in different parts of the County have different total tax rates, depending on the jurisdiction and taxing districts they are in.
- **Principal Property Taxpayers** shows that the top ten taxpayers only own 3.59% of taxable property, compared to 4.04% nine years earlier. The County is not highly vulnerable to the loss of any single taxpayer.

JOSEPHINE COUNTY, OREGON

- **Property Tax Levies and Collections** show that the County collects well over 90% of property taxes within the first year that they are levied.

Information about debt capacity. These schedules provide trend information about the County's use of debt to finance its operations and show that the County is well below its legal debt margin.

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Computation of Direct and Overlapping Bonded Debt
- Legal Debt Margin Information

Demographic and economic information. These schedules provide information about demographic and economic indicators to help the reader assess the economic health of Josephine County.

- **Demographic Statistics** indicates that there has been a fairly steady population growth and increase in personal income in the county through 2008, with a general flattening of growth since. The slow drop through 2008 in the unemployment rate shows that the area has gradually been recovering from the loss of timber and wood product employment, however the rate is still high and personal income low compared to the rest of the state and nation. Since 2009, the unemployment rate has sharply increased reflecting the current economic difficulties facing our nation and community.
- **Principal Employers** shows that employment in the county is not dominated by any one or two employers.

Operating Information. The information in these schedules is intended to help readers understand how the County's financial information relates to the services it provides and the activities it performs.

- **Full-time Equivalent County Government Employees by Function** shows the fairly consistent number of full-time equivalent employees through 2006, with the sharp drop in 2007 and 2013 due to layoffs and outsourcing of functions as a response to the loss of O&C funding. The schedule also shows the trends in headcount by function.
- **Operating Indicators by Function** indicates the change over ten years in certain activities that are part of the County's operations.
- **Capital Asset Statistics by Function** shows that facilities maintained by the County have remained level, in spite of the population growth that occurred over the time period represented.

JOSEPHINE COUNTY, OREGON

Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Invested in capital assets, net of related debt	\$24,510,941	\$40,266,754	\$41,314,844	\$42,874,052	\$46,841,750	\$46,731,176	\$47,478,186	\$48,087,945	\$50,788,250	\$52,182,424
Restricted	14,485,826	18,454,920	20,622,260	17,423,106	18,691,104	20,854,678	18,261,754	16,030,085	11,421,718	10,205,867
Unrestricted	(18,883,570)	(16,626,350)	(12,149,187)	(6,574,356)	(2,056,077)	2,112,202	192,838	(1,541,258)	(8,477,984)	(2,613,109)
Total Governmental Activities net assets	\$20,113,197	\$42,095,324	\$49,787,917	\$53,722,802	\$63,476,777	\$69,698,056	\$65,932,778	\$62,576,772	\$53,731,984	\$59,775,182
Business-type Activities:										
Invested in capital assets, net of related debt	\$1,663,333	\$1,977,725	\$1,867,831	\$1,946,770	\$2,906,167	\$2,792,408	\$2,823,021	\$3,141,932	\$3,695,039	\$3,959,988
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	166,508	184,746	230,827	227,777	163,974	184,878	210,457	318,631	332,088	321,656
Total Business-type Activities net assets	\$1,829,841	\$2,162,471	\$2,098,658	\$2,174,547	\$3,070,141	\$2,977,286	\$3,033,478	\$3,460,563	\$4,027,127	\$4,281,644
Primary Government:										
Invested in capital assets, net of related debt	\$26,174,274	\$42,244,479	\$43,182,675	\$44,820,822	\$49,747,917	\$49,523,584	\$50,301,207	\$51,229,877	\$54,483,289	\$56,142,412
Restricted	14,485,826	18,454,920	20,622,260	17,423,106	18,691,104	20,854,678	18,261,754	16,030,085	11,421,718	10,205,867
Unrestricted	(18,717,062)	(16,441,604)	(11,918,360)	(6,346,579)	(1,892,103)	2,297,080	403,295	(1,222,627)	(8,145,896)	(2,291,453)
Total Primary Government net assets	\$21,943,038	\$44,257,795	\$51,886,575	\$55,897,349	\$66,546,918	\$72,675,342	\$68,966,256	\$66,037,335	\$57,759,111	\$64,056,826

Notes:

- (1) The balances as of June 30, 2005 include infrastructure assets for the first time.
- (2) The balances as of June 30, 2009 include the Other Post-Employment Benefit (OPEB) Obligation for the first time.

JOSEPHINE COUNTY, OREGON

Changes in Net Assets

Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental Activities:										
General Government	\$7,562,145	\$8,019,981	\$4,230,673	\$2,600,514	\$4,505,267	\$3,554,768	\$3,105,746	\$3,466,313	\$4,196,167	\$3,714,535
Public Safety	16,035,512	15,217,040	16,124,831	18,228,829	18,288,469	18,674,398	20,288,250	20,580,502	20,389,206	13,047,467
Public Works	5,795,684	7,487,302	5,912,624	5,687,268	5,350,527	8,213,897	9,551,563	9,167,351	8,315,014	5,513,277
Culture and Recreation	3,587,034	3,454,429	3,340,311	2,883,124	2,398,748	2,569,225	2,457,628	2,234,542	2,650,036	2,266,034
Community Development	27,042,839	2,537,919	4,603,135	3,963,488	2,971,068	3,057,506	4,295,501	3,553,741	3,455,163	2,700,033
Health & Human Services	27,043,154	27,547,123	26,047,563	13,326,948	8,124,116	8,074,595	7,995,407	8,993,704	9,392,933	8,672,301
Interest on long-term debt	1,477,150	1,372,836	1,299,545	1,415,435	1,251,165	1,221,383	993,901	958,424	940,402	816,018
Total Governmental Activities expenses	64,283,518	65,636,630	61,558,682	48,105,606	42,889,360	45,365,772	48,687,996	48,954,577	49,338,921	36,729,665
Business-type Activities:										
Jail Commissary	28,782	39,410	66,547	63,405	36,600	66,893	64,104	66,071	109,769	59,355
County Airports	581,488	592,640	608,669	575,729	609,390	719,103	780,848	556,937	764,224	1,048,085
Total Business-type Activities expenses	610,270	632,050	675,216	639,134	645,990	785,996	844,952	623,008	873,993	1,107,440
Total Primary Government expenses	\$64,893,788	\$66,268,680	\$62,233,898	\$48,744,740	\$43,535,350	\$46,151,768	\$49,532,948	\$49,577,585	\$50,212,914	\$37,837,105

Program Revenues:

Governmental Activities:

Charges for Services:

General Government	\$1,696,813	\$6,218,250	\$5,642,574	\$2,129,445	\$966,763	\$2,636,988	\$1,714,988	\$1,781,670	\$1,749,282	\$2,780,516
Public Safety	748,900	16,179	20,420	2,604,016	1,856,199	1,854,259	1,883,974	2,082,170	1,839,528	1,922,597
Public Works	125,780	123,359	126,396	131,098	227,253	296,886	146,557	295,575	305,253	213,775
Culture and Recreation	1,528,374	1,350,210	1,468,255	1,530,078	1,178,971	1,449,110	1,399,433	1,403,855	1,522,923	1,255,665
Community Development	2,923,765	1,059,562	1,205,988	1,369,546	2,381,508	2,018,546	1,278,033	1,214,792	1,507,512	1,549,752
Health & Human Services	2,119,446	689,049	670,162	1,190,256	1,360,527	1,692,426	1,425,936	1,694,825	1,519,911	1,554,051
Operating Grants and Contributions	41,861,914	42,862,587	43,131,333	25,055,783	26,709,265	21,822,753	21,632,056	22,903,460	21,425,013	21,030,079
Capital Grants and Contributions	-	3,923,000	-	113,817	56,000	3,464,680	304,227	371,099	702,874	185,365
Total Governmental Activities program revenues	51,004,992	56,242,196	52,265,128	34,124,039	34,736,486	35,235,648	29,785,204	31,747,446	30,572,296	30,491,800
Business-type Activities:										
Charges for Services:										
Jail Commissary	49,547	60,343	70,346	57,768	63,606	45,450	78,142	91,468	130,294	94,918
County Airports	230,904	293,448	405,188	450,110	450,831	521,850	427,165	517,754	577,152	573,664
Capital Grants and Contributions	504,964	565,631	69,542	188,600	1,062,974	111,338	369,689	415,978	720,847	723,200
Total Business-type Activities program revenues	785,415	919,422	545,076	696,478	1,577,411	678,638	874,996	1,025,200	1,428,293	1,391,782
Total Primary Government program revenues	\$51,790,407	\$57,161,618	\$52,810,204	\$34,820,517	\$36,313,897	\$35,914,286	\$30,660,200	\$32,772,646	\$32,000,589	\$31,883,582

Net (expenses) revenues:

Governmental Activities	(\$13,278,526)	(\$9,394,434)	(\$9,293,554)	(\$13,981,567)	(\$8,152,874)	(\$10,130,124)	(\$18,902,792)	(\$17,207,131)	(\$18,766,625)	(\$6,237,865)
Business-type Activities	175,145	287,372	(130,140)	57,344	931,421	(107,358)	30,044	402,192	554,300	284,342
Total Primary Government net expense	(\$13,103,381)	(\$9,107,062)	(\$9,423,694)	(\$13,924,223)	(\$7,221,453)	(\$10,237,482)	(\$18,872,748)	(\$16,804,939)	(\$18,212,325)	(\$5,953,523)

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JOSEPHINE COUNTY, OREGON

Changes in Net Assets (Continued)

Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (expenses) revenues (from previous page):										
Governmental Activities	(\$13,278,526)	(\$9,394,434)	(\$9,293,554)	(\$13,981,567)	(\$8,152,874)	(\$10,130,124)	(\$18,902,792)	(\$17,207,131)	(\$18,766,625)	(\$6,237,865)
Business-type Activities	175,145	287,372	(130,140)	57,344	931,421	(107,358)	30,044	402,192	554,300	284,342
Total Primary Government net expense	<u>(13,103,381)</u>	<u>(9,107,062)</u>	<u>(9,423,694)</u>	<u>(13,924,223)</u>	<u>(7,221,453)</u>	<u>(10,237,482)</u>	<u>(18,872,748)</u>	<u>(16,804,939)</u>	<u>(18,212,325)</u>	<u>(5,953,523)</u>
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Taxes:										
Property Taxes	3,759,885	3,858,159	3,957,320	4,137,828	4,390,498	4,661,545	4,891,102	4,848,368	4,872,179	4,743,954
Unrestricted O&C Revenue Safety Net Support	11,388,960	11,537,016	11,802,368	11,920,391	11,895,928	10,728,352	9,655,517	8,701,886	4,910,825	4,685,831
Investment Earnings	322,049	671,299	1,283,459	1,866,053	1,576,486	970,106	613,695	323,671	149,333	125,770
Transfers	(12,000)	(37,000)	(57,000)	(7,820)	43,937	(8,600)	(22,800)	(22,800)	(10,500)	31,000
Total Governmental Activities	<u>15,458,894</u>	<u>16,029,474</u>	<u>16,986,147</u>	<u>17,916,452</u>	<u>17,906,849</u>	<u>16,351,403</u>	<u>15,137,514</u>	<u>13,851,125</u>	<u>9,921,837</u>	<u>9,586,555</u>
Business-type Activities:										
Investment Earnings	8,005	4,476	9,327	10,725	8,110	5,903	3,348	2,093	1,764	1,175
Transfers	12,000	37,000	57,000	7,820	(43,937)	8,600	22,800	22,800	10,500	(31,000)
Total Business-type Activities	<u>20,005</u>	<u>41,476</u>	<u>66,327</u>	<u>18,545</u>	<u>(35,827)</u>	<u>14,503</u>	<u>26,148</u>	<u>24,893</u>	<u>12,264</u>	<u>(29,825)</u>
Total Primary Government	<u>15,478,899</u>	<u>16,070,950</u>	<u>17,052,474</u>	<u>17,934,997</u>	<u>17,871,022</u>	<u>16,365,906</u>	<u>15,163,662</u>	<u>13,876,018</u>	<u>9,934,101</u>	<u>9,556,730</u>
Change in Net Assets:										
Governmental Activities	2,180,368	6,635,040	7,692,593	3,934,885	9,753,975	6,221,279	(3,765,278)	(3,356,006)	(8,844,788)	3,348,690
Business-type Activities	195,150	328,848	(63,813)	75,889	895,594	(92,855)	56,192	427,085	566,564	254,517
Total Primary Government	<u>\$2,375,518</u>	<u>\$6,963,888</u>	<u>\$7,628,780</u>	<u>\$4,010,774</u>	<u>\$10,649,569</u>	<u>\$6,128,424</u>	<u>(\$3,709,086)</u>	<u>(\$2,928,921)</u>	<u>(\$8,278,224)</u>	<u>\$3,603,207</u>

JOSEPHINE COUNTY, OREGON

Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Reserved	\$ -	\$ 2,660,756	\$ 4,135,655	\$ 5,425,422	\$ 3,952,683	\$ 3,598,996	\$ 3,462,700	\$ -	\$ -	\$ -
Unreserved										
GASB 54:										
Unassigned								2,708,775	2,406,543	3,167,160
Total General Fund	\$ 2,494,819	\$ 2,660,756	\$ 4,135,655	\$ 5,425,422	\$ 3,952,683	\$ 3,598,996	\$ 3,462,700	\$ 2,708,775	\$ 2,406,543	\$ 3,167,160
All other governmental funds:										
Reserved/Nonspendable	\$ 966,675	\$ 1,020,560	\$ 2,078,253	\$ 594,850	\$ 627,054	\$ 1,162,807	\$ 414,672	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	13,620,725	14,173,306	14,935,820	15,331,547	24,247,936	26,728,405	25,076,912	-	-	-
Debt service funds	1,138,761	1,651,013	764,474	-	-	168,214	165,430	-	-	-
Capital project funds	108,457	3,587,159	3,549,672	5,501,802	2,758,755	6,036,704	5,213,017	-	-	-
Permanent funds	181,547	140,460	160,224	185,916	208,788	222,803	-	-	-	-
GASB 54:										
Nonspendable								1,060,372	1,228,215	1,119,672
Restricted								12,324,318	10,068,383	9,321,976
Committed								-	-	-
Assigned								14,458,977	5,994,351	7,148,045
Unassigned								(143,976)	(282,568)	-
Total all other governmental funds	\$ 16,016,165	\$ 20,572,498	\$ 21,488,443	\$ 21,614,115	\$ 27,842,533	\$ 34,318,933	\$ 30,870,031	\$ 27,699,691	\$ 17,008,381	\$ 17,589,693

Beginning with June 30, 2011 amounts in fund balance are reported in accordance with GASB 54.
Prior year fund balance remain in the previous designation.

JOSEPHINE COUNTY, OREGON

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes	\$ 3,883,987	\$ 3,970,604	\$ 4,095,041	\$ 4,184,157	\$ 4,438,328	\$ 4,581,410	\$ 4,826,026	\$ 4,824,573	\$ 4,807,750	\$ 4,788,366
Fees and Charges for Services	8,318,255	8,696,834	8,840,202	8,509,403	7,812,689	7,735,370	6,730,365	7,008,388	7,031,687	6,926,475
Intergovernmental Revenues	49,731,153	56,593,851	53,425,843	36,164,952	36,999,746	35,523,619	31,311,196	31,891,433	27,023,002	25,885,933
Interfund Charges for Services	3,288,879	3,809,682	1,943,228	1,541,932	1,753,682	1,598,320	1,531,425	1,572,381	1,670,473	1,335,350
Other Revenues	3,712,055	2,205,516	2,227,569	2,464,183	3,238,630	2,644,969	1,378,407	1,399,594	1,213,872	1,384,316
Total Revenues	68,934,329	75,276,487	70,531,883	52,864,627	53,943,075	52,083,688	45,777,419	46,696,369	41,746,784	40,320,440
Expenditures:										
General Government	7,034,606	7,881,158	5,521,445	2,892,577	3,767,602	3,034,443	3,343,636	2,909,254	3,733,693	3,469,761
Public Safety	16,438,386	17,373,070	17,647,363	17,866,561	18,149,093	17,718,712	18,761,904	19,348,194	19,264,881	11,809,958
Public Works	6,258,326	8,476,944	7,760,070	6,906,119	9,415,379	7,258,275	8,564,515	8,934,164	9,639,342	6,280,509
Culture & Recreation	3,567,235	3,564,773	3,441,299	2,680,596	2,347,670	2,682,453	2,410,184	2,400,484	2,415,588	1,800,754
Community Development	2,917,763	2,783,732	4,948,449	3,808,406	2,885,006	2,902,631	4,049,645	3,411,218	3,440,039	2,668,649
Human Services	27,589,814	28,397,568	26,554,315	12,487,281	7,792,849	7,887,824	7,594,218	8,818,945	9,144,318	8,363,589
Debt Service - Principal	1,082,142	955,258	1,089,747	1,196,162	1,170,208	1,296,925	1,315,323	1,390,594	1,455,869	1,248,623
Debt Service - Interest	1,048,909	1,022,337	995,898	1,110,066	948,524	914,495	779,645	748,018	723,744	897,260
Debt Service - Bond issuance cost	-	-	-	-	-	127,103	-	-	57,880	-
Total Expenditures	65,937,181	70,454,840	67,958,586	48,947,768	46,476,331	43,822,861	46,819,070	47,960,871	49,875,354	36,539,103
Excess of Revenues Over (Under)	2,997,148	4,821,647	2,573,297	3,916,859	7,466,744	8,260,827	(1,041,651)	(1,264,502)	(8,128,570)	3,781,337
Expenditures										
Other Financing Sources (Uses):										
Refunding bonds issued	-	-	-	-	-	7,920,000	-	-	8,300,000	-
Premium (Discount) on refunding bonds	-	-	-	-	-	391,656	-	-	(198,760)	-
Payment to refunding bond escrow agent	-	-	-	-	-	(8,184,553)	-	-	(8,043,360)	-
Transfers In	4,279,981	5,151,809	4,372,389	22,310,938	7,550,782	8,228,071	7,471,302	7,443,296	7,061,287	5,472,118
Transfers Out	(3,865,473)	(5,251,386)	(4,554,842)	(24,047,884)	(10,261,847)	(10,493,288)	(10,014,849)	(10,103,059)	(9,984,139)	(7,866,933)
Total Other Financing Sources (Uses)	414,508	(99,577)	(182,453)	(1,736,946)	(2,711,065)	(2,138,114)	(2,543,547)	(2,659,763)	(2,864,972)	(2,394,815)
Net Change in Fund Balance	\$ 3,411,656	\$ 4,722,070	\$ 2,390,844	\$ 2,179,913	\$ 4,755,679	\$ 6,122,713	\$ (3,585,198)	\$ (3,924,265)	\$ (10,993,542)	\$ 1,386,522
Debt service as a percentage of noncapital expenditures	3.34%	2.89%	3.17%	4.94%	4.78%	5.64%	4.68%	4.67%	4.70%	6.24%

JOSEPHINE COUNTY, OREGON

Assessed and Real Market Values of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Total Direct Tax Rate (1)	Assessed Value					Real Market Value
		Real	Manufactured Structures	Personal	Utilities	Total	
2003-04	0.88	3,890,566,005	122,510,207	87,825,003	133,119,521	4,234,020,736	5,478,748,706
2004-05	0.85	4,129,480,049	130,266,655	92,166,757	129,162,862	4,481,076,323	6,502,753,771
2005-06	0.83	4,415,330,518	133,238,126	94,689,274	119,516,345	4,762,774,263	8,017,637,670
2006-07	0.81	4,717,456,116	135,530,330	103,837,124	120,485,200	5,077,308,770	9,900,996,388
2007-08	0.80	5,015,174,748	139,087,020	110,375,247	119,151,000	5,383,788,015	10,626,563,720
2008-09	0.79	5,267,001,884	137,773,700	119,351,135	131,096,850	5,655,223,569	10,271,803,111
2009-10	0.77	5,509,036,303	128,920,050	116,701,163	153,833,660	5,908,491,176	9,182,833,828
2010-11	0.76	5,682,170,356	117,201,280	122,549,668	165,069,620	6,086,990,924	8,446,479,564
2011-12	0.75	5,811,113,057	88,260,640	114,715,188	168,844,380	6,182,933,265	7,574,999,491
2012-13	0.75	5,934,112,649	55,861,870	112,494,013	164,800,900	6,267,269,432	7,275,733,739

(1) - Per \$1,000 of assessed value. \$0.5867 is permanent rate and the remaining amount is the Adult Jail Bond.

* *Ballot Measure 50, approved by State voters in May 1997, changed the way property taxes are assessed and computed. For 1997-98, and subsequent years, the assessed value of property is the real market value or 90 percent of the 1995 assessed value, **whichever is lower**. If the property has changed since 1995, increased values are calculated in comparison to the values of similar property that existed in 1995.*

Source: Josephine County Assessor's Office

JOSEPHINE COUNTY, OREGON

Direct and Overlapping Property Tax Rates⁽¹⁾

Last Ten Fiscal Years

Fiscal Year	County Direct Rate				Total Direct Tax Rate	Overlapping Rates											
	Permanent Rate ⁽²⁾	Exempt Bond	Local Option	-		Cities		Rural Fire Districts			Wolf Creek		School Districts		Rogue Community College	Kerby Water District	4H Extension
						Grants Pass	Cave Junction	Applegate	Illinois Valley	Williams	Grants Pass	Three Rivers	So. OR. ESD				
2003-04	0.59	0.29	-	-	0.88	5.02	2.04	2.68	2.44	1.06	2.19	6.43	4.45	0.35	0.51	-	0.05
2004-05	0.59	0.26	-	-	0.85	5.02	2.04	2.53	2.41	1.06	2.19	6.76	4.43	0.35	0.51	-	0.05
2005-06	0.59	0.24	-	-	0.83	5.62	1.90	2.53	2.38	1.06	2.98	6.67	4.36	0.35	0.51	-	0.05
2006-07	0.59	0.22	-	-	0.81	5.62	1.90	2.53	2.35	1.06	2.98	6.48	4.34	0.35	0.51	-	0.05
2007-08	0.59	0.21	-	-	0.80	6.13	1.90	2.53	2.31	1.59	2.98	6.41	4.30	0.35	0.51	-	0.05
2008-09	0.59	0.20	-	-	0.79	6.12	1.90	2.53	2.26	1.59	2.98	6.21	4.29	0.35	0.51	1.90	0.05
2009-10	0.59	0.18	-	-	0.77	6.32	1.90	2.53	2.23	1.59	2.88	6.43	4.28	0.35	0.51	3.35	0.05
2010-11	0.59	0.17	-	-	0.76	6.33	1.90	2.53	2.22	1.59	2.88	5.92	4.29	0.35	0.51	3.41	0.05
2011-12	0.59	0.17	-	-	0.75	6.33	1.90	2.53	2.17	1.59	2.88	5.97	4.25	0.35	0.51	3.14	0.05
2012-13	0.59	0.17	-	-	0.75	6.33	1.90	2.53	2.43	1.59	2.88	5.90	4.29	0.35	0.51	2.98	0.05

(1) Nominal property tax rate is per \$1,000 without compression resulting from Ballot Measure 5

(2) Josephine County Permanent Rate is \$0.5867 per \$1,000 assessed value. Due to statewide constitutional property tax limitation of Ballot Measures 5 and 47/50, the County is restricted in its ability to raise the permanent tax rate or to implement new taxes without voter approval.

Note: These figures are rounded and for general information only. For actual nominal tax rates, inquire at the County Assessor's Office.

JOSEPHINE COUNTY, OREGON

Principal Property Taxpayers

Current Year and Nine Years Ago

Principal Taxpayers	2013			2004		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Pacificorp (PP&L)	\$ 82,324,570	1	1.28%	\$ 56,948,700	1	1.35%
Charter Communications	20,744,200	2	0.32%			
Masterbrand Cabinets, Inc.	20,264,240	3	0.31%			
Auerbach Grants Pass LLC and Freeman Grants Pass LLC	18,181,620	4	0.28%	10,578,340	4	0.25%
Nunn, Ronald C & Marcia K	20,364,340	5	0.32%	15,261,230	5	0.36%
Avista Corp. dba Avista Utilities	16,233,000	6	0.25%	8,964,000	10	0.21%
Grants Pass FMS LLC	13,781,210	7	0.21%			
Lynn-Ann Development LLC	13,546,860	8	0.21%			
Home Depot USA Inc.	12,683,195	9	0.20%			
Johnson Trust, Carl D.	13,487,680	10	0.21%			
QWEST Corporation				35,509,343	2	0.84%
Grant Kent Partners LP/Fred Meyer				11,857,360	3	0.28%
Albertson's Inc.				8,285,211	6	0.20%
Wal-Mart Stores, Inc.				8,030,033	7	0.19%
Jensen, Robert A & Shirley Y				7,611,908	8	0.18%
Hillebrand Children Riverwood Apartments				7,508,090	9	0.18%
Total Principal Taxpayers	<u>\$ 231,610,915</u>		<u>3.59%</u>	<u>\$170,554,215</u>		<u>4.04%</u>

Source: Josephine County Assessor's Office

Note: Ranking is based on dollars received and not assessed value

JOSEPHINE COUNTY, OREGON

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Within the First Year of the Levy			Collections in Subsequent Years	Total to Date		Outstanding June 30, 2013	
		Discounts Allowed	Collections (2)	Percent (2)		Collections (2)	Percent (2)	Delinquent Taxes	Percentage to Total Tax Levy
2003-04	\$3,648,728	\$86,980	\$3,447,640	94.5%	\$113,802	\$3,561,442	97.6%	\$306	0.01%
2004-05	3,719,994	90,026	3,514,250	94.5%	115,379	3,629,629	97.6%	339	0.01%
2005-06	3,870,112	94,690	3,669,691	94.8%	105,406	3,775,097	97.5%	325	0.01%
2006-07	4,033,916	97,973	3,803,545	94.3%	131,883	3,935,428	97.6%	515	0.01%
2007-08	4,263,339	102,983	4,011,908	94.1%	146,997	4,158,905	97.6%	1,451	0.03%
2008-09	4,484,396	105,608	4,185,668	93.3%	188,107	4,373,775	97.5%	5,013	0.11%
2009-10	4,625,028	110,526	4,301,176	93.0%	176,478	4,477,654	96.8%	36,848	0.80%
2010-11	4,691,936	112,850	4,370,274	93.1%	135,716	4,505,990	96.0%	73,096	1.56%
2011-12	4,709,942	114,159	4,385,112	93.1%	101,569	4,486,681	95.3%	109,102	2.32%
2012-13	4,789,489	117,803	4,469,810	93.3%	0	4,469,810	93.3%	201,876	4.21%

(1) Includes all County levies, miscellaneous assessments and additional taxes.
Does not include levies for other taxing districts.
Includes first year additions and deletions to the Tax Roll.

(2) Net of Adjustments, additions, corrections and cancellations, not including discounts.
Does not include collections for other taxing districts.

Source: Josephine County Treasurer/Tax Collector

JOSEPHINE COUNTY, OREGON

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

June 30	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	PERS Bond	Loans and Leases Payable			
2004	11,485,000	13,176,867	919,487	25,581,354	0.10%	326.50
2005	10,875,000	13,143,723	738,700	24,757,423	0.10%	309.78
2006	10,240,000	13,077,404	539,011	23,856,415	0.12%	295.40
2007	9,575,000	12,976,124	417,849	22,968,973	0.12%	281.18
2008	8,885,000	12,831,254	387,641	22,103,895	0.13%	265.38
2009	7,920,000	12,640,072	300,716	20,860,788	0.14%	251.96
2010	7,150,000	12,399,356	285,393	19,834,749	0.15%	239.62
2011	6,350,000	12,100,806	269,799	18,720,605	0.16%	226.04
2012	5,530,000	12,980,000	253,934	18,763,934	0.17%	226.86
2013	4,680,000	9,858,145	237,785	14,775,930	N/A	178.17

N/A - Personal income is not yet available

JOSEPHINE COUNTY, OREGON

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

June 30	Population ⁽¹⁾	Assessed Value (In Thousands) ⁽²⁾	Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2004	78,180	4,234,021	11,485,000	147,531	11,337,469	0.27%	145.02
2005	79,135	4,481,076	10,875,000	145,620	10,729,380	0.24%	135.58
2006	80,525	4,762,774	10,240,000	134,136	10,105,864	0.21%	125.50
2007	81,699	5,077,309	9,575,000	102,095	9,472,905	0.19%	115.95
2008	82,509	5,383,788	8,885,000	103,520	8,781,480	0.16%	106.43
2009	82,794	5,655,224	7,920,000	85,010	7,834,990	0.14%	94.63
2010	82,775	5,908,491	7,150,000	140,732	7,009,268	0.12%	84.68
2011	82,820	6,086,991	6,350,000	121,821	6,228,179	0.10%	75.20
2012	82,713	6,182,933	5,530,000	79,953	5,450,047	0.09%	65.89
2013	82,930	6,267,269	4,680,000	95,161	4,584,839	0.07%	55.29

(1) Source: Portland State University's Population Research Center

(2) Source: Josephine County Assessor's Office

JOSEPHINE COUNTY, OREGON

**Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
June 30, 2013**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable To Josephine County	Amount Applicable To Josephine County
Direct:			
Counties:			
Josephine PERS Bond 2001A	\$ 1,603,145	0.00%	\$ -
Josephine PERS Bond 2012	\$ 8,255,000	0.00%	\$ -
Josephine OHCDs Secured Treatment Facility Loan	\$ 237,785	0.00%	\$ -
Josephine Adult Jail Bond	\$ 4,680,000	100.00%	\$ 4,680,000
Overlapping:			
Cities:			
Grants Pass	5,875,000	100.00%	5,875,000
Cave Junction	-	-	-
Rural Fire Protection Districts:			
Illinois Valley RFPD 1	1,520,000	100.00%	1,520,000
Williams RFPD	-	100.00%	-
Wolf Creek RFPD	-	-	-
Community Colleges:			
Rogue Community College	-	-	-
School Districts:			
Grants Pass District 7	-	100.00%	-
Three Rivers District	15,035,000	96.60%	14,523,810
Total Overlapping Debt			<u>21,918,810</u>
Total Direct and Overlapping Debt			<u>\$ 26,598,810</u>

Source: Oregon State Treasury Debt Management Division

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County.

JOSEPHINE COUNTY, OREGON

Legal Debt Margin Information

Last Ten Fiscal Years
(amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Real Market Value of taxable property ¹	\$ 5,478,749	\$6,502,754	\$ 8,017,638	\$ 9,900,996	\$ 10,626,563	\$ 10,271,203	\$ 9,182,834	\$ 8,446,480	\$ 7,574,999	\$ 7,275,734
Debt Limit, 2% of Real Market Value	\$109,575	\$130,055	\$160,353	\$198,020	\$212,531	\$205,424	\$183,657	\$168,930	\$151,500	\$145,515
Total net debt applicable to limit	11,337	10,729	10,106	9,473	8,781	7,835	7,009	6,228	5,450	4,585
Legal debt margin	\$98,238	\$119,326	\$150,247	\$188,547	\$203,750	\$197,589	\$176,648	\$162,702	\$146,050	\$140,930
Total net debt applicable to this limit as a percentage of debt limit	10.35%	8.25%	6.30%	4.78%	4.13%	3.81%	3.82%	3.69%	3.60%	3.15%

⁽¹⁾ Josephine County Assessor's Office

JOSEPHINE COUNTY, OREGON

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Personal Income (in thousands)	Per Capita Personal Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾ for June	Median Age ⁽⁵⁾
2003-04	78,180	\$1,974,270	\$24,862	19,606	8.3%	N/A
2004-05	79,135	\$2,081,223	\$25,802	19,324	7.2%	44.0
2005-06	80,525	\$2,241,734	\$27,472	19,644	6.3%	N/A
2006-07	81,699	\$2,346,084	\$28,700	20,152	6.8%	43.6
2007-08	82,509	\$2,402,204	\$29,329	20,842	7.9%	N/A
2008-09	82,794	\$2,429,273	\$28,727	21,781	14.4%	44.4
2009-10	82,775	\$2,450,499	\$28,933	31,262	13.8%	46.3
2010-11	82,820	\$2,514,818	\$30,103	29,533	12.7%	48.1
2011-12	82,713	\$2,600,748	\$31,361	26,368	11.9%	47.1
2012-13	82,930	N/A	N/A	15,877	11.3%	46.7

(1) Portland State University's Population Research Center

(2) U.S. Dept of Commerce, Bureau of Economic Analysis

(3) Grants Pass School District 7; Three Rivers School District; Rogue Community College

(4) www.qualityinfo.org

(5) U.S. Census Bureau

N/A Information not available

JOSEPHINE COUNTY, OREGON

Principal Employers

Current Year and Nine Years Ago

Principal Employers	2013			2004		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Rogue Community College	925	1	3.96%	N/A	2	N/A
Three Rivers Community Hospital	905	2	3.87%	N/A	1	N/A
Grants Pass School District #7	675	3	2.89%	N/A	3	N/A
Three Rivers School District	597	4	2.55%	N/A	6	N/A
Fire Mountain Gems	500	5	2.14%	N/A		N/A
Wal-Mart	400	6	1.71%	N/A	4	N/A
Josephine County	353	7	1.51%	N/A	7	N/A
Masterbrand Cabinet Company	340	8	1.45%	N/A	8	N/A
Barrett Business Services	300	9	1.28%	N/A		N/A
First Call Resolution	250	10	1.07%	N/A		N/A
Total - Top 10	5,245		22.94%			
Not included in Total Top 10. Displayed for historical purposes.						
Royal Gardens	180	14	0.77%	N/A	5	N/A
Fred Meyer	233	11	1.00%	N/A	9	N/A
Siskiyou Forest Service	100	19	0.43%	N/A	10	N/A

N/A - Information is not available.

Source: Grants Pass Chamber of Commerce

JOSEPHINE COUNTY, OREGON

Full-time Equivalent County Government Employees by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	34.6	34.4	34.0	36.7	34.5	34.3	32.9	32.5	32.0	28.7
Public Safety	207.7	212.3	205.9	217.0	201.6	213.1	214.4	219.3	205.7	115.3
Public Works	86.0	73.9	74.0	74.9	61.0	67.3	73.4	72.4	71.6	62.1
Culture & Recreation	33.8	35.5	30.7	19.5	16.8	18.9	21.3	20.0	14.6	14.7
Community Development	28.4	27.8	27.3	32.5	33.0	32.9	32.2	31.7	29.1	26.2
Human Services	245.5	230.9	219.9	45.2	56.4	52.5	52.3	57.7	60.6	53.5
Total	636.0	614.8	591.8	425.8	403.3	419.0	426.5	433.6	413.6	300.6

Source: Josephine County adopted budgets. FTE's are budgeted amounts.

Assuming a work week of 40 hours, an employee is scheduled to work 2080 hours per year (including vacation and sick leave). Full-time equivalent is calculated by dividing total budgeted labor hours by 2080.

JOSEPHINE COUNTY, OREGON

Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
County Sheriff										
Jail bookings	4,710	4,612	4,944	5,130	5,452	6,575	4,956	4,816	5,308	2,694
Inmates released due to lack of available resources	496	805	1,163	1,358	385	309	314	327	793	283
Average daily jail population	150	125	120	140	135	106	143	142	118	84
Patrol - calls for service	60,184	65,474	63,000	54,802	56,942	54,524	59,762	61,124	32,866	6,172
District Attorney										
Criminal prosecution cases filed	3,366	3,281	3,323	2,960	2,671	2,779	2,731	2,588	2,126	1,196
Child support cases	926	936	914	933	925	917	912	909	890	869
Community Justice										
Work crew participants	1,016	1,267	1,498	1,854	1,337	1,729	1,530	1,387	1,627	5,017
Average Monthly Caseload	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	986	963
Court referral to alternative program	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	866	1,190
Juvenile Justice intakes	1,209	1,078	1,035	1,046	1,092	1,106	884	774	741	332
Public Health										
Inspections of food services	1,213	1,062	1,275	1,208	1,163	1,339	1,347	1,164	1,122	1,029
Immunizations given	15,336	11,018	10,283	10,074	10,250	10,455	10,942	6,403	4,447	3,903
County Clerk										
Recorded instruments	31,875	34,177	34,484	31,338	27,709	25,602	23,183	22,019	21,978	22,738
Planning Department										
Permits issued	2,094	2,428	2,171	2,099	1,618	1,257	1,132	1,031	1,037	900
Parks Department										
Walk-ins	N/A	N/A	N/A	N/A	16,431	17,457	18,869	16,375	N/A	N/A
Reservations taken	N/A	N/A	N/A	N/A	43,569	43,850	40,712	34,261	N/A	N/A

N/A - Information not available.

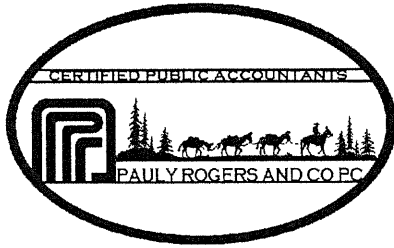
JOSEPHINE COUNTY, OREGON

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Adult Jail Facility Beds	200	200	200	200	200	200	200	200	200	200
Juvenile Facility Detention Beds	14	14	14	14	14	14	14	14	14	14
Juvenile Facility Shelter Beds	16	16	16	16	16	16	16	16	16	16
Public Works										
Road miles maintained	576	576	576	576	565	566	566	566	566	566
Bridges maintained	195	195	195	195	193	198	122	122	122	122
Culture and Recreation										
Park acreage	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655
Number of parks	10	10	10	10	10	10	10	10	10	10
Boat ramps	15	15	15	15	15	15	15	15	15	15
Nature/recreation areas	4	4	4	4	4	4	4	4	4	4
Library branches	4	4	4	4	4	4	4	4	4	4
Airports	2	2	2	2	2	2	2	2	2	2
Human Services										
Secured residential facility	1	1	1	1	1	1	1	1	1	1

**DISCLOSURES IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
AND
INDEPENDENT AUDITORS' COMMENTS**





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February 15, 2014

To the Board of County Commissioners
Josephine County
Josephine County, Oregon

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of Josephine County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated February 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Findings and Responses to Findings

We noted certain matters that we reported to management on the Schedule of Findings and Questioned Costs.

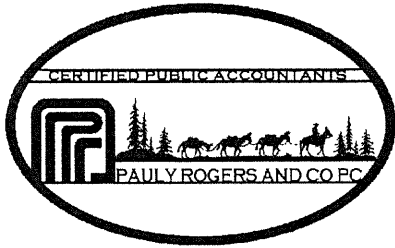
The responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the responses and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Roy R. Rogers, CPA
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February 15, 2014

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Josephine County as of and for the year ended June 30, 2013, and have issued our report thereon dated February 15, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Schedule of Accountability of Elected Officials**

In connection with our testing nothing came to our attention that caused us to believe the Josephine County was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants. They are noted in the schedule of findings and questioned costs in the report.

This report is intended solely for the information and use of the Board of Commissioners, management, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

JOSEPHINE COUNTY, OREGON

**SCHEDULE OF CASH ON HAND AND CASH TRANSACTIONS OF INDEPENDENTLY
ELECTED OFFICIALS**

Year Ended June 30, 2013

There is no cash on hand or cash transactions of independently elected officials for fiscal year June 30, 2013.

JOSEPHINE COUNTY, OREGON

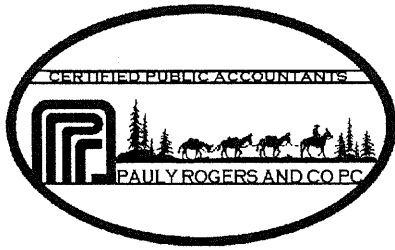
**Schedule of Property Tax Transactions
For the Year Ended June 30, 2013**

Fiscal Year	Uncollected Balance July 1, 2012	Current Tax Levy	Less Discounts and Adjustments	Interest on Delinquent Balances	Less Collections on Taxes	Uncollected Balance June 30, 2013
2012-13	\$ -	\$ 61,144,504	\$ (1,650,213)	\$ 55,505	\$ (56,978,888)	\$ 2,570,908
2011-12	2,682,652	-	(7,129)	148,358	(1,441,852)	1,382,029
2010-11	1,600,661	-	(2,207)	198,474	(868,597)	928,331
2009-10	1,061,025	-	(850)	267,826	(855,918)	472,083
2008-09	246,960	-	(565)	103,611	(286,892)	63,114
2007-08	46,143	-	(541)	20,234	(47,446)	18,390
2006-07	25,736	-	(101)	17,753	(37,014)	6,374
Prior Years	26,254	-	-	4,165	(6,988)	23,431
	<u>\$ 5,689,431</u>	<u>\$ 61,144,504</u>	<u>\$ (1,661,606)</u>	<u>\$ 815,926</u>	<u>\$ (60,523,595)</u>	<u>\$ 5,464,660</u>

Taxes Receivable Classified by Fund:

General Fund	\$ 371,416
Adult Jail Facility Debt Service	105,577
Unsegregated tax and interest fund	4,987,667
	<u>\$ 5,464,660</u>

Source: County Treasurer



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February 15, 2014

To the Board of County Commissioners
Josephine County
Josephine County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Report on Compliance for Each Major Federal Program

We have audited Josephine County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2013. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, Josephine County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

JOSEPHINE COUNTY
SCHEDULE FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered
to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reported in
accordance with section 505(d)(2) of OMB Circular A-133? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered
to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance
with OMB Circular A-133, section 510(a)? yes no

JOSEPHINE COUNTY
SCHEDULE FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
10.665	Schools and Roads-Grant to States
93.959	Block Grants for Prevention and Treatment of Substance Abuse
16.810	Assistance to Rural Law Enforcement
15.234	Secure Rural Schools and Community Self-Determination Act of 2000

Dollar threshold used to distinguish between type A and type B programs: \$309,071

Auditee qualified as low-risk auditee? yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

2013-FS-1 Significant deficiency in internal control

Condition: Controls were not in place to ensure the Inmate Trust Account was regularly reconciled by the Sheriff's department during the year.

Criteria: The Inmate Trust Account should be reconciled on a regular basis.

Effect: Without controls and procedures in place to monitor the reconciliation of this account, there is the likelihood of an unintentional error or irregularity existing and not being detected that could result in a material misstatement of the financial statements.

Cause: Insufficient resources appeared to be allocated to the Inmate Trust Account reconciliation process.

Recommendations: A control structure should be implemented where each month, upon receipt of the bank statement of the Inmate Trust Account, a reconciliation is completed and reviewed by someone other than the person reconciling the statement.

Management's Response: The policies and procedures are in place to clear checks and reconcile the account on a monthly basis. This situation was caused by staff turnover. In this specific timeframe, the Sheriff Office had experienced a 60% reduction in force due to budget cuts. The Business Officer resigned after 19 years with the Sheriff, and the new Business Officer resigned after 6 months with Sheriff, leaving this position vacant. Since that time the Sheriff has filled the position and we have reconciled the account.

2013-FS-2 Significant deficiency in internal control

Condition: Controls were not in place to ensure that adjusting journal entries were properly reviewed throughout the year by someone other than the person preparing the entries.

Criteria: Adjusting journal entries should be reviewed by someone other than the person making the entries.

JOSEPHINE COUNTY
SCHEDULE FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

Effect: Without controls and procedures in place to monitor the adjusting journal entry process, there is the possibility of an error or irregularity existing and not being detected that could result in a material misstatement of the financial statements.

Cause: Insufficient resources appeared to be allocated to the monitoring of the journal entry process.

Recommendations: A control structure should be implemented where all adjusting journal entries are required to be reviewed and approved by someone other than the person making the entries; furthermore, this review should be documented prior to posting.

Management's Response: Journal entries were generated by the ADP Inc payroll interface, or were created as a recurring entry based on the adopted budget for internal charges (ISF), and were processed by the County Controller on a monthly basis without obtaining a second set of initials on the monthly processing document. However, the annual amount was approved through the budget process and the monthly entries are itemized on monthly reports and distributed to all department managers. In effect, the journal entries were reviewed prior to input and after input.

2013-FS-3 Significant deficiency in internal control

Condition: Duties of preparing deposits, submitting an electronic journal voucher to the Treasury department to assist them in coding to the general ledger, and taking the deposit to the Treasury department were not always segregated.

Criteria: There should be proper documentation of segregation of duties in preparation and delivery of deposits to the Treasury department or compensating controls, such as an independent review, should be implemented.

Effect: Without adequate segregation of duties or compensating controls in place, there is the possibility of an error or irregularity existing and not being detected that could result in a material misstatement of the financial statements.

Cause: Insufficient resources appeared to be allocated to this process.

Recommendations: Duties should be further segregated a compensating control(s) should be implemented, such as having an independent review of deposits.

Management's Response: Some county departments do not have adequate staff to segregate over the counter receipt of payment from the preparation of the daily deposit. We mitigate this risk through the use of receipt books, computer receipting, and credit card machines. In addition, we control risk through processing the deposit at the Treasury Department, providing a written receipt at time of deposit, as well as providing a monthly revenue report listing all deposits for the month. Within the Treasury further segregation of duties is achieved by separating the cashiering function from the bank reconciliation function.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None

JOSEPHINE COUNTY, OREGON

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Grantor or Pass-Through Grantor and Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Interior:			
Bureau of Land Management:			
Secure Rural Schools and Community Self-Determination Act of 2000:			
Title I - Secure Payments	15.234	N/A	\$ 4,685,698
Title III - County Projects	15.234	N/A	448,712
Non-Sale Disposal of Mineral Material	15.214	N/A	1,966
Total U.S. Department of the Interior			5,136,376
U.S. Department of Agriculture:			
Forest Service:			
Forest Service Schools and Raods Cluster			
Direct Programs			
Secure Rural Schools and Community Self-Determination Act of 2000:			
Title I - Secure Payments	10.665	N/A	1,417,187
Title III - County Projects	10.665	N/A	116,743
Total Forest Service Schools and Raods Cluster			1,533,930
Direct Program			
Recovery Act of 2009: Wildland Fire Management - ARRA	10.688	09-FI-11060489-026	83,476
Passed through Oregon Dept of Human Services - Health Division & Oregon Health Authority:			
Women, Infants and Children	10.557	135565	455,021
WIC Grants to States (WGS)	10.578	135565	11,456
Total U.S. Department of Agriculture			2,083,883
U.S. Department of Justice:			
Direct Program			
Bulletproof Vest Partnership Program	16.607	N/A	5,153
Passed through Oregon Department of Justice:			
Edward Byrne Memorial Justice Assist. Grant (JAG) / Grant to States & Territories - ARRA	16.803	M5717-11JAG	3,894
Assist. to Rural Law Enforcement to Combat Crime & Drugs Grant - ARRA	16.810	2009-SD-B9-0166	129,021
VOCA - Crime Victims Assistance	16.575	unavailable	51,719
Drug Control Descretionary Grant - Marijuana Eradication	16.580	unavailable	12,625
Drug Control Descretionary Grant - Drug Court Grant	16.585	DSC2011-03	167,726
Edward Byrne Memorial Justice Assistance Grant Program	16.738	RE017-11JAG	71,967
Passed through Oregon Commission on Children and Families:			
Juvenile Accountability Block Grant	16.523	11-DA-47	5,089
Total U.S. Department of Justice			447,194
U.S. Office of Environmental Protection Agency:			
Passed through Oregon Health Authority:			
State Public Water System Supervision	66.432	136946	37,532
Capitalization Grant for Drinking Water	66.468	136946	19,320
Total U.S. Office of Environmental Protection Agency			56,852
U.S. Department of Health and Human Services:			
Passed through Oregon Health Authority:			
Bioterrism Preparedness and Response	93.069	135565	87,031
TB Control and AIDS	93.116	135565	873
Oral Disease & Disorders Research - Baby Smiles Study Klamath County	93.121	None	71,162
Family Planning Services	93.217	135565	10,348
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	135565	28,373
PPHF 2012-Capacity Building Assistance to Strengthen Public Health Immunization	93.539	135565	36,772
National Bioterrorism Hospital Preparedness Program	93.889	135565	10,475
HIV Prevention Project	93.940	135565	3,427
CMHS Block Grant for Community Mental Health	93.958	134318	97,810
Substance Abuse Prevention and Treatment (SAPT) Block Grant	93.959	134318	463,751
Maternal and Child Health (MCH) Services Block Grant	93.994	135565	44,537
Passed through Oregon Department of Justice:			
Child Support Enforcement	93.563	07-GOV-DA-13	184,312
Passed through Oregon Commission on Children and Families:			
Promoting Safe and Stable Families	93.556	JOS1113	19,417
Foster Care / Title IV-E	93.658	JOS1113	1,290
Social Services Block Grant / Title XX	93.667	JOS1113	59,262
Passed through Health Care Coalition of Southern Oregon:			
Healthy Start Initiative - Eliminate Disparities in Perinatal Infant & Maternal Health	93.926	none	52,125
Total U.S. Department of Health and Human Services			1,170,965

JOSEPHINE COUNTY, OREGON

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Grantor or Pass-Through Grantor and Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Transportation: Federal Aviation Administration - Airport Improvement Program	20.106	FA10NM-52,24 / FA12NM-57,71	657,569
Passed through Oregon Department of Transportation: Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	27687	205,543
New Freedom Program	20.521	27639/27764/28547	61,000
Total Transit Services Program Cluster			266,543
Passed through Oregon Department of Transportation: Formula Grants for Other Than Urbanized Areas	20.509	28405/27687	279,126
Total U.S. Department of Transportation			1,203,238
U.S. Department of Homeland Security: Emergency Food and Shelter National Board Program	97.024	unavailable	904
Passed through Oregon Military Department Office of Emergency Management: Emergency Management Performance Grants (EMPG)	97.042	11-518/12-519/12-540	17,889
Citizen Corps Program (CCP)	97.053	09-113/11-110	5,726
State Homeland Security Program (SHSP)	97.073	09-243/10-273/10-274/11-254,5,6,7	71,785
Total U.S. Department of Homeland Security			96,304
U.S. Department of Energy: Energy Efficiency and Conservation Block Grant Program (EECBG) - ARRA	81.128	DE-SC0002968	92,276
Total U.S. Department of Energy			92,276
U.S. Dept of General Services Administration: Donation/Disposal of Federal Surplus Personal Property	39.002	N/A	779
Total U.S. Dept of General Services Administration			779
Total Expenditures of Federal Awards			\$ 10,287,867

JOSEPHINE COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

A. Purpose of the Schedule

1. The accompanying schedule of expenditures of federal awards is a supplementary schedule to Josephine County, Oregon's (the "County") basic financial statements and is presented for purposes of additional analysis. Because the schedule presents only a selected portion of the activities of the County, it does not present the financial position, changes in financial position, or the cash flow of the County.
2. Pass-through entity identifying numbers are presented where available.

B. Summary of Significant Accounting Policies

Reporting Entity

The reporting entity is fully described in Note 1.A. to the County's basic financial statements. The schedule includes all federal programs administered by the County for the fiscal year ended June 30, 2013.

Basis of Presentation

The information in the schedule is presented in accordance with *OMB Circular A-133*.

Federal Financial Assistance

The *Single Audit Act* and *OMB Circular A-133*, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and is reported on the schedule (if applicable). Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the County and the federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

The *Single Audit Act* and *OMB Circular A-133* establish criteria to be used in defining major programs. Major programs are those programs selected for testing using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in *OMB Circular A-133*. Programs with similar requirements may be grouped into a cluster for testing purposes.

Basis of Accounting

Receipts and expenditures are accounted for using the modified accrual basis of accounting. Revenues are recorded when measurable and available. Expenditures are recorded when a liability is incurred.

C. Insurance Coverage

For the year ending June 30, 2013, the County had insurance in effect as recommended by their agent of record which was comparable in coverage to other counties of similar size and circumstance.

D. Non-cash Assistance

A total of \$0. was received in non-cash assistance and is included in the federal awards expended.



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