

# Josephine County Oregon

## Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2005

# Josephine County, Oregon

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2005



Report Prepared by Josephine County Finance Department

Arthur O'Hare, Chief Accountant

William V. Burnes, CPA / Budget Analyst

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## DID YOU KNOW?

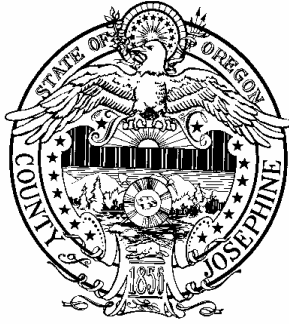
Sailor Diggings was named the first county seat of Josephine County in 1856. During the next year, the population center shifted north to the Illinois Valley and to Kerbyville, a town which had been founded earlier that year by James Kerby. Kerbyville was chosen by the electorate as the new county seat in 1857. In 1858 the Territorial Legislature changed its name to Napoleon, but Kerbyville, and later, Kerby, remained the favored usage in the county. In 1886, the county seat was relocated to Grants Pass, a new town built along the recently completed railroad which traversed the state.

The first county courthouse was a log cabin at Sailor Diggings, which later came to be known as Waldo. The building was purchased for \$100 from James Hendershott in 1856. In 1858 when Kerbyville became the new county seat, the commissioners ordered the sheriff to sell the courthouse at Sailor Diggings. Between 1858 and 1886 court records were kept in various offices and buildings rented by the county in Kerbyville. In 1886 the county seat was relocated to Grants Pass where courthouses were built in 1887 and 1917. (Source: Oregon State Archives)



**INTRODUCTORY SECTION**





# Josephine County, Oregon

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## **Finance Division**

Josephine County Courthouse  
500 NW 6<sup>th</sup> Street / Grants Pass OR 97526  
(541) 474-5255 / FAX (541) 474-5258 / TTY (800) 735-2900

December 28, 2005

Honorable Members  
Board of County Commissioners

Citizens of Josephine County

We are pleased to present to you the audited Comprehensive Annual Financial Report (CAFR) of Josephine County for the fiscal year ended June 30, 2005. This CAFR is published to fulfill the requirements of Oregon Revised Statute 297.415 and other state and local laws. The financial statements presented herein conform to generally accepted accounting principles and have been given an unqualified ("clean") opinion by the independent auditing firm of Kenneth Kuhns & Co. The independent auditor's report is located at the front of the financial section of this report.

This report consists of management's representation concerning the finances of the county. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon the framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. We believe, to the best of our knowledge, the financial statements are complete and reliable in all material respects.

Management's discussion and analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### **Profile of Josephine County Government**

Josephine County is located in the southwestern corner of the State of Oregon. The southern border of the County forms the Oregon/California state line. The County was established on January 22, 1856. The County's boundaries encompass an area of 1,641 square miles. Living within these boundaries is a population of approximately 80,000 people. The County's population continues to show significant increases, growing from 62,649 in 1990 and projected to be 85,000 in 2010.

Josephine County has three commissioners who are elected at large for four-year terms. The daily administrative functions of each County department are overseen by an appointed Department Head or one of seven other Elected Officials. The Board of County Commissioners (BCC) sets policy, adopts the annual budget, and passes resolutions and ordinances in accordance with state law. The BCC appoints the non-elected department heads and many volunteers to citizen's advisory and review committees, including the Budget Committee. These committees assist the County and the BCC in providing needed and desired services to the community.

The Budget Committee is comprised of the three Commissioners and three citizens appointed from the public at large by the BCC. Each of the citizens serves a three-year term (terms are staggered so one is up



for replacement each year), and they are not paid for their services. The Budget Committee hears each department's budget presentation, reviews and approves the annual budget in hearings open to the public. All funds are budgeted in conformance with Oregon Local Budget Law. The BCC adopts a resolution authorizing appropriations for each fund, setting the level that expenditures cannot legally exceed. The level of accountability for the general fund and administrative internal service funds is at the department level. The level of accountability for all other funds is at the expenditure category level (Personal Services, Materials and Services, Capital Outlay, etc.).

Josephine County government provides a wide range of services. The services consist of public and mental health, parks and recreation, airport operations, public road maintenance and construction, planning and development, building safety, county fair activities, probation and juvenile justice activities, and libraries. In addition, it provides services to the economically disadvantaged in the county. The county has seven Elected Officials. The Sheriff provides 24-hour patrols and operates the jail. The Assessor is responsible for certifying all levies and computing the valuation of property for taxation. The Clerk conducts elections and maintains official records. The District Attorney prosecutes the criminals of the community and maintains a family support division. The County Surveyor maintains County land survey records and the Treasurer is the custodian of County and District monetary funds. Finally, the County's Legal Counsel provides legal support to all County departments.

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

The County leads the state in economic diversity among rural counties. A state economist has determined Josephine County to rank highest among Oregon rural counties in terms of economic diversification. Also, Josephine County has experienced a rapid rate of population growth – approximately 17% over the last ten years.

Josephine County's reliance on logging and timber products manufacturing has decreased over the past two decades. Despite this, new jobs continue to be added. And while the County's industrial base has diversified to include high technology, medical care, tourism, retirement services, retail trade and other service and manufacturing sectors, the wood products industry is still a major force in the County. Many of the top manufacturers in the County, including those producing wood products, continue to expand and add employees. Job growth has continued in Josephine County, which experienced little impact of the recent recession. Total employment reached an all-time high in December 2004 and the County's job growth rate has averaged 3.9% over the last five years.

Retail trade is the largest sector of employment (15.9%), followed by health services (14.2%), manufacturing (12.5%), leisure and hospitality (10.9%), and local education (8.3%). The total civilian labor force grew to over 34,000 in 2004.

Following similar national and statewide trends, manufacturing employment has fallen by more than 800 jobs in the past decade in the County. Employment in the wood products industry fell by more than 33% in this time. However, employment in secondary wood products manufacturing continues positive or stable growth. Non-manufacturing has experienced modest growth. Through 2005, the services sector is projected to see the fastest job growth in the region (30.7%), followed by construction (24.6%), and trade (22.8%). The trade sector will continue to dominate the market in terms of total job count in the region. Some of the fastest growing occupations in the region through 2006 include home health aids, social welfare service aids, computer engineers, amusement/recreation service workers, preschool teachers and computer-related specialists.

The City of Grants Pass and surrounding community are positioned well for economic growth. The community's philosophy toward growth is not a "growth at any cost" approach. In fact, leaders are constantly working at the precarious balance of growth management, striving to preserve the quality of life and the small town atmosphere that combine to make the area a special place. Despite the slowing state and national economy and challenging times, the new century remains a time of re-birth in Josephine

County. It is an exciting era with new schools, new medical facilities, a revitalized downtown, a new industrial park and several new business expansions.

### **Awards**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its 2004 Comprehensive Annual Financial Report. This is the seventh year in a row the County has received this prestigious award. To earn a Certificate of Achievement, the County must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. Our appreciation is also given to the professional management and accounting personnel in each department; without their contribution this report could not be developed. Finally we want to thank the Board of County Commissioners for their support in conducting the financial operations of the County.

Respectfully Submitted,

A handwritten signature in black ink, reading "Rosemary Padgett". The signature is written in a cursive style. To the right of the signature is a vertical red line.

Rosemary Padgett  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Josephine County,  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

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



*Nancy L. Ziehl*

President

*Jeffrey R. Enos*

Executive Director

**Citizens of Josephine County  
CHARTER**

**Board of County Commissioners**  
Dwight Ellis, Jim Raffenburg, Jim Riddle

**Boards and Committees**

**General Government**

**Assessor**  
Mike Schneyder

**Clerk & Recorder**  
Georgette Brown

**County Counsel**  
Steve Rich

**Information Systems**  
Tyler Wilhelm

**Human Resources**  
Kent Granat

Risk Management

Communications

**Treasurer**  
John Harelson

Tax Collection

**Finance**  
Rosemary Padgett

**Community Development**

**Airports**  
Alex Grossi

**Building & Safety**  
Dave Bassett

**Forestry**  
Virgil Witcher

**Parks**  
Michael Strahan

**Planning**  
Michael Snider

**Public Works**  
Robert Weber

Building Operations & Maintenance

County Fleet

County Property Management

**Surveyor**  
Peter Allen

**Criminal Justice**

**Community Justice**  
Marie Hill

Adult

Juvenile

**District Attorney**  
Stephen Campbell

**Sheriff**  
Dave Daniel

Jail

Emergency Services

Elected Officials denoted by shadowed box.

**Human Services**

**Public Health**  
Leslee O'Brien

Public Health

Environmental Health

Animal Control

**Library**  
Cessa Vichi

**Human Services - Mental Health**  
Joe Adair

Commission on Children and Families

Community Services

# JOSEPHINE COUNTY, OREGON

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## LIST OF ELECTED AND APPOINTED OFFICIALS

JUNE 30, 2005

### Elected Officials

|                 |   |
|-----------------|---|
| Jim Riddle      | Chair, Board of County Commissioners        |
| Dwight Ellis    | Vice Chair, Board of County Commissioners   |
| Jim Raffenburg  | Commissioner, Board of County Commissioners |
| Mike Schneyder  | Assessor                                    |
| Georgette Brown | Clerk                                       |
| Steve Rich      | County Counsel                              |
| Steve Campbell  | District Attorney                           |
| Peter Allen     | Surveyor                                    |
| John Harelson   | Treasurer                                   |
| Dave Daniel     | Sheriff                                     |

### Appointed Officials

|                  |                        |
|------------------|------------------------|
| Alex Grossi      | Department of Airports |
| Dave Bassett     | Building and Safety    |
| Marie Hill       | Community Justice      |
| Rosemary Padgett | Finance                |
| Virgil Witcher   | Forestry               |
| Mark Sorenson    | General Services       |
| Kent Granat      | Human Resources        |
| Joe Adair        | Human Services         |
| Tyler Wilhelm    | Information Services   |
| Cessa Vichi      | Library                |
| Michael Strahan  | Parks                  |
| Michael Snider   | Planning               |
| Leslie O'Brien   | Public Health          |
| Robert Weber     | Public Works           |

## DID YOU KNOW?

Grants Pass, the Josephine County seat, is guarded by a towering 18 foot tall caveman, complete with a club. The fiberglass statue was erected by the city's "Caveman Club" in 1971 following nearly five decades of boosterism based on the theme. Beginning in 1922, local shopkeepers would march down Main Street wearing animal skins and furs and dragging ceremonial clubs to boost business.

While the Grants Pass High School sports teams continue to compete as Cavemen and Lady Cavers, the city prefers other forms of promotion. More popular now is the slogan "Where the Rogue River Runs," a reference to the local wild and scenic river with white-water, fishing, and jet boat recreational opportunities. (Source: Oregon State Archives)

