

STATISTICAL SECTION



JOSEPHINE COUNTY, OREGON

General Government Expenditures by Function (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Culture and Recreation</u>
1995-96	\$4,174,374	\$8,445,463	\$4,817,616	\$2,496,773
1996-97	3,842,159	10,555,926	5,379,508	4,772,280
1997-98	3,972,461	12,090,087	5,871,559	4,186,783
1998-99	3,784,879	15,608,341	6,799,611	4,708,692
1999-00	7,322,882	24,097,729	8,215,031	4,498,725
2000-01	5,116,720	17,394,113	6,973,076	5,174,086
2001-02	7,568,789	17,188,926	5,305,656	5,408,758
2002-03	6,772,013	17,176,501	5,298,780	5,616,494
2003-04	7,034,606	16,438,386	6,258,326	3,567,235
2004-05	\$7,881,158	\$17,373,070	\$8,476,944	\$3,564,773

Source: Current and prior Josephine County Comprehensive Annual Financial Reports.

Notes:

(1) Includes expenditures of the General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds.

JOSEPHINE COUNTY, OREGON

General Government Expenditures by Function (Continued)

Last Ten Fiscal Years

Community Development	Human Services	Debt Service	Total	Per Capita	Portland- Salem Oregon Consumer Price Index (U) (1982-84)
\$1,789,915	\$13,502,922	-	\$35,227,063	\$ 495.56	153.2
2,190,078	13,594,450	-	40,334,401	495.46	158.6
2,365,116	25,867,823	-	54,353,829	560.20	164.1
2,533,114	14,996,425	-	48,431,062	744.57	167.1
2,607,620	17,839,953	-	64,581,940	663.44	172.6
2,348,234	21,632,905	-	58,639,134	790.30	178.0
2,956,275	27,155,247	-	65,583,651	844.61	182.4
2,882,527	27,055,586	\$2,062,368	66,864,269	855.47	183.8
2,917,763	27,589,814	2,131,051	65,937,181	841.57	186.3
\$2,783,732	\$28,397,568	\$1,977,595	\$70,454,840	\$ 881.57	191.1

JOSEPHINE COUNTY, OREGON

General Government Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	Taxes	Fees and Charges For Services	Inter- governmental Revenues	Interfund Charges for Services	Other Revenues	Total	Per Capita
1995-96	\$ 6,214,482	\$ 4,451,606	\$ 26,215,471	\$ 144,226	\$ 1,717,056	\$ 38,742,841	\$ 530.72
1996-97	6,282,335	5,115,739	28,210,001	725,512	1,778,451	42,112,038	576.88
1997-98	6,344,265	5,570,603	39,769,020	900,247	5,140,885	57,725,020	778.32
1998-99	6,371,970	5,293,655	29,626,214	1,112,733	2,523,206	44,927,778	605.50
1999-00	8,706,279	5,238,703	34,303,387	1,017,471	2,397,510	51,663,350	672.26
2000-01	10,060,870	6,485,462	34,361,839	1,257,680	3,236,466	55,402,317	710.74
2001-02	8,740,873	7,776,705	44,352,117	1,443,049	2,843,905	65,156,649	831.61
2002-03	8,517,922	6,982,626	45,600,836	2,600,649	4,705,372	68,407,405	877.58
2003-04	9,100,594	8,318,255	44,514,546	3,288,879	3,762,055	68,984,329	879.83
2004-05	\$ 9,131,118	\$ 8,696,834	\$ 51,433,537	\$ 3,809,682	\$ 2,205,516	\$ 75,276,687	\$ 941.90

Source: Current and prior Josephine County Comprehensive Annual Financial Reports.

Notes:

(1) Includes expenditures of the General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds.

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, 2005	
		Discounts Allowed	Collections (2)	Percent (2)		Collections (2)	Percent (2)	Delinquent Taxes	Percentage to Total Tax Levy
1995-96	\$ 2,184,343	\$ 49,111	\$ 2,017,697	92.4%	\$ 115,887	\$ 2,133,584	97.7%	\$ 1,648	0.1%
1996-97	2,236,717	50,139	2,060,458	92.1%	124,457	2,184,915	97.7%	1,663	0.1%
1997-98	2,077,714	47,038	1,915,893	92.2%	113,085	2,028,978	97.7%	1,698	0.1%
1998-99	2,148,492	49,333	1,990,748	92.7%	106,697	2,097,445	97.6%	1,714	0.1%
1999-00	3,951,622	91,735	3,680,975	93.2%	175,705	3,856,680	97.6%	3,207	0.1%
2000-01	5,421,884	125,299	5,072,215	93.6%	219,344	5,291,559	97.6%	5,026	0.1%
2001-02	3,605,575	83,883	3,383,798	93.8%	128,174	3,511,972	97.4%	9,720	0.3%
2002-03	3,677,044	86,904	3,458,544	94.1%	105,841	3,564,385	96.9%	25,755	0.7%
2003-04	3,648,728	86,980	3,447,640	94.5%	70,008	3,517,648	96.4%	44,100	1.2%
2004-05	\$ 3,719,994	\$ 90,026	\$ 3,514,250	94.5%	\$ -	\$ 3,514,250	94.5%	\$ 115,718	3.1%

(1) Includes all County levies, miscellaneous assessments and additional taxes.

Does not include collections for other taxing districts.

Includes additions and deletions to the Tax Roll and corrections and cancellations.

(2) Net of Adjustments, additions, corrections and cancellations, not including discounts.

Source: Josephine County Treasurer/Tax Collector

JOSEPHINE COUNTY, OREGON

Assessed and Real Market Values of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Assessed Value					Real Market Value
	Real	Manufactured Structures	Personal	Utilities	Total	
1995-96	\$3,087,315,823	\$127,961,980	\$69,684,597	\$107,397,473	\$3,392,359,873	\$3,392,359,873
1996-97	3,130,787,095	130,411,447	69,365,688	113,929,807	3,444,494,037	3,444,494,037
1997-98	2,874,907,173	118,736,385	70,740,248	120,087,832	3,184,471,638	3,639,356,802
1998-99	2,986,273,853	116,517,948	71,554,409	131,286,480	3,305,632,690	3,686,798,127
1999-00	3,141,350,622	119,033,862	77,544,253	141,919,217	3,479,847,954	3,882,418,254
2000-01	3,301,818,997	117,922,460	81,242,412	135,334,122	3,636,317,991	4,127,856,553
2001-02	3,482,266,765	121,049,292	82,342,601	143,339,062	3,828,997,720	4,436,423,374
2002-03	3,677,567,535	119,945,632	80,764,669	142,176,006	4,020,453,842	4,803,016,923
2003-04	3,890,566,005	122,510,207	87,825,003	133,119,521	4,234,020,736	5,478,748,706
2004-05	\$4,129,480,049	\$130,266,655	\$92,166,757	\$129,162,862	\$4,481,046,323	\$6,502,753,771

* *Ballot Measure 50, approved by State voters in May 1997, changed the way property taxes are assessed and computed. For 1997-98, 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

Nominal Property Tax Rates⁽¹⁾ - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Josephine County	Cities		Rural Fire Districts				Special School Districts			Rogue Community College	4H Extension ⁽²⁾
		Grants Pass	Cave Junction	Applegate	Illinois Valley	Williams	Wolf Creek	Grants Pass	Three Rivers	So. OR. ESD		
1995-96	0.66	4.38	2.23	1.63	1.82	1.03	1.81	13.37	5.86	0.88	1.21	-
1996-97	0.66	4.38	2.23	1.63	1.82	1.03	1.81	13.37	5.86	0.88	1.21	-
1997-98	0.66	6.03	2.07	1.66	1.83	0.97	1.90	7.55	3.73	0.35	0.51	0.05
1998-99	0.66	5.29	2.07	1.66	1.83	1.04	1.96	7.56	3.73	0.35	0.51	0.05
1999-00	1.15	5.28	2.06	2.67	1.83	1.04	1.98	7.43	3.73	0.35	0.51	0.05
2000-01	1.52	4.98	2.05	2.68	1.87	1.06	2.19	7.23	3.73	0.35	0.51	0.05
2001-02	0.96	4.98	2.05	2.68	1.87	1.06	2.19	7.14	4.47	0.35	0.51	0.05
2002-03	0.93	4.98	2.05	2.68	1.87	1.06	2.19	7.06	4.46	0.35	0.51	0.05
2003-04	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	0.85	5.02	2.04	2.53	2.41	1.06	2.19	6.76	4.43	0.35	0.51	0.05

⁽¹⁾ Nominal property tax rate is per \$1,000 without compression resulting from Ballot Measure 5 commencing in 1991-92.

⁽²⁾ New Taxing District approved by voters on November 5, 1996 for fiscal year 1997-98.

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

JOSEPHINE COUNTY, OREGON

Principal Taxpayers

For Tax Year 2004-05

Principal Taxpayers	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Pacificorp (PP&L)	Utility	\$ 44,307,900	0.99%
QWEST Corporation	Utility	42,953,500	0.96%
Nunn, Ronald C & Marcia K	Developer	14,753,670	0.33%
Wal-Mart Stores, Inc.	Commercial	13,234,825	0.30%
Albertson's Inc.	Commercial	12,567,975	0.28%
Auerbach Grants Pass LLC and Freeman Grants Pass LLC	Commercial	11,477,780	0.26%
SPM - Grants Pass LLC	Commercial	10,765,340	0.24%
Avista Corporation	Utility	9,125,000	0.20%
Jensen, Robert A & Shirley Y	Commercial	7,747,631	0.17%
Hillebrand Children Riverwood Apts	Rental	7,733,270	0.17%
Total Principal Taxpayers		<u>174,666,891</u>	3.90%
Total Other Taxpayers		<u>4,306,409,432</u>	96.10%
Total		<u><u>\$ 4,481,076,323</u></u>	<u><u>100.00%</u></u>

Source: Josephine County Assessor's Office

JOSEPHINE COUNTY, OREGON

Special Assessment Collections

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessments Collected</u>	<u>Total Outstanding Assessments</u>
1995-96	29,132	267,276
1996-97	26,856	211,289
1997-98	94,324	204,410
1998-99	25,515	178,895
1999-00	1,351	177,544
2000-01	98,555	78,989
2001-02	12,063	66,926
2002-03	-	66,926
2003-04	-	-
2004-05	\$ -	\$ -

Note: The County does not have any debt related to the above assessments.

JOSEPHINE COUNTY, OREGON

Computation of Legal Debt Margin

June 30, 2005

Real Market Value of taxable property ⁽¹⁾	<u>\$6,502,753,771</u>
Debt limit 2%	\$ 130,055,075
General obligation bonds outstanding	10,875,000
Legal debt margin	<u>\$ 119,180,075</u>

⁽¹⁾ Josephine County Assessor's Office

JOSEPHINE COUNTY, OREGON

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

June 30	Population ⁽¹⁾	Assessed Value (In Thousands) ⁽²⁾	Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1996	71,100	\$ 3,392,360	\$ -	\$ -	\$ -	0.0000	\$0.00
1997	72,000	3,444,494	-	-	-	0.0000	0.00
1998	73,000	3,184,472	-	-	-	0.0000	0.00
1999	73,000	3,305,633	15,897,700	-	15,897,700	0.0048	217.78
2000	74,166	3,479,848	14,371,287	-	14,371,287	0.0041	193.77
2001	74,199	3,636,318	13,628,453	-	13,628,453	0.0037	183.67
2002	76,850	3,828,998	12,859,523	-	12,859,523	0.0034	167.33
2003	77,950	4,020,454	12,070,000	-	12,070,000	0.0030	154.84
2004	78,350	4,234,021	11,485,000	147,531	11,337,469	0.0027	144.70
2005	79920	\$ 4,481,076	\$ 10,875,000	\$ 145,620	\$ 10,729,380	0.0024	\$134.25

⁽¹⁾ Portland State University

⁽²⁾ Josephine County Assessor's Office

JOSEPHINE COUNTY, OREGON

**Ratio of Annual Debt Service Expenditures
for General Bonded Debt to Total General Governmental Expenditures**
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures ⁽¹⁾	Ratio of Debt Service To Total General Governmental Expenditures
1995-96	-	-	-	35,227,063	0.0%
1996-97	-	-	-	40,334,401	0.0
1997-98	-	-	-	54,353,829	0.0
1998-99	-	-	-	48,431,062	0.0
1999-00	1,526,876	948,447	2,475,323	64,581,940	3.8
2000-01	742,834	645,610	1,388,444	58,639,134	2.4
2001-02	769,930	928,277	1,698,207	65,583,651	2.6
2002-03	979,945	1,082,423	2,062,368	66,864,269	3.1
2003-04	1,082,142	1,048,909	2,131,051	65,937,181	3.2
2004-05	\$ 955,258	\$ 1,022,337	\$ 1,977,595	\$ 70,454,840	2.8%

⁽¹⁾ General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds.

JOSEPHINE COUNTY, OREGON

**Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds**

June 30, 2005

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable To County</u>	<u>Amount Applicable To County</u>
Direct:			
Counties:			
Josephine	\$ 10,729,380	100.00%	\$ 10,729,380
Overlapping:			
Cities:			
Grants Pass	4,495,000	100.00%	4,495,000
Cave Junction	None	-	-
Community Colleges:			
Rogue Community College	None	-	-
School Districts:			
Grants Pass District 7	27,715,000	100.00%	27,715,000
Three Rivers District	22,930,631	96.74%	22,183,092
Total	\$ 65,870,011		\$ 65,122,472

JOSEPHINE COUNTY, OREGON

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Per Capita Income ⁽⁴⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽⁴⁾	Marriage Licenses ⁽³⁾	Total County Employees ⁽⁵⁾	County Employees Per 1,000 Population
1995-96	71,100	\$18,183	24,894	9.9	523	429	6.0
1996-97	72,000	\$18,574	26,577	9.4	600	485	6.7
1997-98	73,000	\$19,862	24,358	8.7	564	474	6.5
1998-99	73,000	\$19,775	23,995	8.4	632	553	7.6
1999-00	74,166	\$20,666	24,447	8.4	200	555	7.5
2000-01	74,199	\$22,231	24,504	6.9	610	612	8.2
2001-02	76,850	\$22,791	21,225	8.5	592	672	8.7
2002-03	77,950	\$22,506	20,373	8.6	633	696	8.9
2003-04	78,350	N/A	19,606	8.1	736	618	7.9
2004-05	79,920	N/A	19,324	7.7	664	600	7.5

⁽¹⁾ *Portland State University*

⁽²⁾ *Grants Pass School District 7, Three Rivers School District and Rogue Community College*

⁽³⁾ *Josephine County Clerk*

⁽⁴⁾ *Oregon Employment Department*

⁽⁵⁾ *Josephine County Personnel Department*

N/A Information not available

JOSEPHINE COUNTY, OREGON

Building Permits and Construction Value

Last Ten Fiscal Years

Calendar Year	Residential (1)		Other (1)		Total Construction	
	Number	Value	Number	Value	Number	Value
1995	598	\$28,271,396	313	\$4,242,303	911	\$32,513,699
1996	641	\$29,332,955	334	\$6,122,174	975	\$35,455,129
1997	608	\$21,807,589	522	\$6,279,783	1,130	\$28,087,372
1998	624	\$28,668,919	395	\$4,734,592	1,019	\$33,403,511
1999	652	\$34,165,396	428	\$3,071,336	1,080	\$37,236,732
2000	640	\$33,966,996	1,924	\$3,315,214	2,564	\$37,282,210
2001	857	\$55,941,500	1,965	\$2,527,100	2,822	\$58,468,600
2002	788	\$46,914,448	2,492	\$13,439,238	3,280	\$60,353,686
2003	785	\$52,614,697	2,868	\$9,835,260	3,653	\$62,449,957
2004	876	\$60,092,922	3,388	\$13,391,926	4,264	\$73,484,848

⁽¹⁾ Josephine County Building Department

JOSEPHINE COUNTY, OREGON

Schedule of Insurance and Fidelity Bond Coverage

June 30, 2005

Policy Number	Company	Coverage	Amount	Policy Period	
				From	To
PE 4601 908-00	Argonaut Insurance	All County Vehicles Transit Buses	\$2,000,000 \$100,000 SIR	7/1/2005	7/1/2006
PE 4601 908-00	Argonaut Insurance	Public Entity Liability Garage Keepers Medical Malpractice Aggregate	\$2,000,000 \$1,000,000 \$2,000,000 \$100,000 SIR \$3,000,000	7/1/2005	7/1/2006
PE 4601 908-00	Argonaut Insurance	Employment Law Coverage	\$250,000 \$100,000 SIR	7/1/2005	7/1/2006
PE 4601 908-00	Argonaut Insurance	Comercial Property Policy Total insurance limit varies per each insured structure.	Deductible \$25,000	7/1/2005	7/1/2006
SP3720 OR	Security Insurance Agency	Excess Worker's Compensation Liability	\$400,000	7/1/2005	7/1/2006
A 187171 130	SAIF Corporation	Worker's Compensation Coverage for Fairgrounds	\$500,000	7/1/2005	7/1/2006
68567382	CNA Surety	Treasurer's Bond	\$50,000	1/14/2005	1/14/2006
FLP000842300	Arch Insurance Group	General Liability and Health Care Liability Deductible Aggregate	\$1,000,000 \$25,000 \$3,000,000	7/1/2005	7/1/2006
LLSS5600059	Black-White & Assoc/ Lloyds of London	General and Professional Liability Mental Health Care Facilities Aggregate	\$1,000,000 \$100,000 SIR \$3,000,000	7/1/2005	7/1/2006
WC4-3NC-516074/NO1	Liberty Northwest	Workers Compensation - Sheriff Department	\$500,000	11/15/2005	11/15/2006
AAPN00984528002	Ace USA	General Liability - Both Airports Aggregate	\$2,000,000 \$2,000,000	7/1/2005	7/1/2006

JOSEPHINE COUNTY, OREGON

Miscellaneous Statistics

Date of Incorporation January 22, 1856

Form of Government Home Rule Charter
Board of Commissioners (3 Members)

Number of Employees⁽¹⁾:

Elected Officials.....	10
Department Heads.....	13
Other full-time.....	453
Part-time.....	124
Total	600

County Seat Grants Pass

Area in Square Miles⁽²⁾ 1,641

County Facilities and Services:

Miles of Maintained Road ⁽⁴⁾	575
Bridges* ⁽⁴⁾	196
County Parks ⁽⁵⁾	24
Park Acreage ⁽⁵⁾	1,655

Major Employers(6):

Three Rivers Community Hospital	Three Rivers School District
Rogue Community College	Josephine County
Grants Pass School District #7	MasterBrand Cabinets
Wal-Mart	Fred Meyer
Royale Gardens	Siskiyou Forest Service

Principal industries(2):

Tourism	Recreation
Forest products	Electronics
Software	

Points of interest(2):

Oregon Caves National Monument	Wolf Creek Tavern
Rogue Music Theater	Hellgate Canyon
Barnstormers Theater	Sunny Valley Covered Bridge
Rogue River fishing and boat trips	Wildlife Images
Grants Pass Historic District	Growers Market
Rogue Community College	Kalmiopsis Wilderness

JOSEPHINE COUNTY, OREGON

Miscellaneous Statistics Continued

Registered voters(3):

Consitution.....	123
Democrat	14,755
Libertarian	538
Non-Affiliated	10,023
Other	842
Pacific Green.....	293
Reform	25
Republican	22,801
Socialist	<u>6</u>
 Total	 <u>49,406</u>

Facilities and services not included in County Government:

Public Education ⁽⁷⁾ :	
Elementary Schools	17
Middle Schools	5
High Schools	5
Hospitals ⁽⁷⁾ :	
Number of hospitals	1
Number of beds	102

- (1) Josephine County Personnel Department
- (2) Oregon Blue Book 2002-03
- (3) Josephine County Clerk
- (4) Josephine County Public Works
- (5) Josephine County Parks Department
- (6) Southern Oregon Regional Economic Development
- (7) Josephine County Phone Directory

* Includes culverts five to eight feet in diameter if longer than eight feet and all culverts eight feet in diameter and larger.

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



KENNETH KUHNS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
570 LIBERTY STREET S.E., SUITE 210
SALEM OREGON 97301-3594
TELEPHONE (503) 585-2550

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

December 28, 2005

Board of Commissioners
Josephine County, Oregon
Grants Pass, Oregon

We have audited the financial statements of Josephine County, Oregon as of and for the year ended June 30, 2005, and have issued our report thereon dated December 28, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Josephine County, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Josephine County, Oregon's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

INDEPENDENT AUDITOR'S COMMENTS

Internal Control

Our report on the County's internal control over financial reporting is presented elsewhere in this Comprehensive Annual Financial Report.

Other Comments and Disclosures

In connection with our audit, nothing came to our attention that caused us to believe the County was not substantially in compliance with:

- ORS Chapter 295 regarding collateral securing depository balances,
- ORS 294.035 regarding the investment of surplus public funds,
- State of Oregon legal requirements relating to debt,
- ORS 294.305 to 294.565 in the preparation and adoption of its budget for the fiscal years ending June 30, 2005 and June 30, 2006, and the execution of its budget for the fiscal year ended June 30, 2005,
- ORS Chapter 279 in the awarding of public contracts and the construction of public improvements,
- the legal requirements pertaining to the use of revenue from taxes on motor vehicle use fuel,
- the statutory requirements pertaining to the use of road funds,
- the appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies,

except as follows:

- The County overexpended appropriations for the following funds: Developmentally Disabled Services Fund by \$127,567; Parks Operating Fund by \$24,456; Administrative Internal Services Fund – Building Operation and Maintenance by \$68,950; and County Fleet Fund by \$137,772.

However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with such requirements.

Additionally, we make the following comments:

- In March 1993 the voters of Josephine County adopted a charter amendment related to limitation of debt. Because this charter amendment is subject to legal interpretation, we make no representations as to the County's compliance with the charter amendment.
- The accounting records are generally adequate for the needs of the County and are reasonably well maintained. Comments and recommendations for improvement are contained in a separate letter to the Board of Commissioners of Josephine County, Oregon.
- We have reviewed the County's insurance and fidelity bond coverage for compliance with legal requirements. Since we are not experts in insurance matters, we make no representation as to the adequacy of such coverage.
- The County issues a separate report to meet the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

COMMENDATION

The courteous assistance and cooperation extended to us by employees and officials of the County during the course of the audit are sincerely appreciated.