

STATISTICAL SECTION



JOSEPHINE COUNTY, OREGON



Josephine County Public Works ~ Operations Division

Line Striping, Pavement Marking & Signing Program

Operations' Sign Shop is responsible for maintaining, installing, fabricating and replacing approximately 8,600 signs on county roads. The life expectancy of a sign varies depending on sign location and the material used to create the sign. Public Works' Sign Shop employees produce road signs in-house, where they use a specialized software program, cutting equipment and reflective materials.

Operations helps keep county roads safe by promptly repairing and/or replacing vandalized road signs. Damaged or missing regulatory signs, especially **STOP** signs are replaced immediately on a '24-7' call basis. Public Works' employees work around the clock to replace or repair an emergency sign. Not only does Public Works Department replace vandalized signs, State and Federal laws also have a number of required timeline for reflective sign material to be updated. Public Works' Sign Shop keeps in accordance with the Manual on Uniform Traffic Control Devices, better known as the M.U.T.C.D.

Annually, our line striping crew retraces approximately 300 miles of fog lines and center lines. During the chipseal season, the line striping crew stays on top of re-establishing pavement markings, including the fog lines and center lines. Line striping is an important part of pavement markings, as it strives to keep county roads as visible as possible at night and during harsh driving conditions.

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. Note 1, Section B of Notes to Financial Statements 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 eight fiscal years. This information is available only back to 2003. Each year an additional fiscal year will be added until ten years are shown. 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 eight fiscal years. This schedule is derived from the Statement of Activities for each of the fiscal years, and will eventually show ten years. Fiscal 2007 through 2010 show the financial effect of reducing expenditures and outsourcing of health and human services activities in preparation of the anticipated loss of the O&C funding, as discussed in Management's Discussion and Analysis elsewhere in this report.
- Fund Balances of Governmental Funds schedule for each of the last eight fiscal years. This schedule is derived from the Balance Sheet of the governmental funds for each of the fiscal years, and will eventually show ten years. The growth in unreserved special revenue funds reflects a portion of safety net monies being carried over to fund future years (through fiscal 2012) in the Public Safety Fund in anticipation of the reduction and eventual loss of the O&C replacement revenue money after fiscal 2012.
- Changes in Fund Balances of Governmental Funds for each of the last ten fiscal years. This schedule shows the fairly steady growth in revenues and expenditures for six years followed by reductions associated with the changes related to preparing for the expected 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 is 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.

JOSEPHINE COUNTY, OREGON

- 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 3.72% of taxable property, compared to 4.41% nine years earlier. The County is not highly vulnerable to the loss of any single taxpayer.
- 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 during the period covered by the schedule. Although the median age hasn't changed much, school enrollment was slowly declining before increasing in the last several years. 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. The top ten employers only employ 17% of the workforce.

Operating Information. The information in these schedules is intended to help readers understand the County's operations and resources.

- Full-time Equivalent County Government Employees by Function shows the gradual increase in the number of full-time equivalent employees over much of the ten year period, with the sharp drop in 2007 because of layoffs and outsourcing of functions to prepare for the potential 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 Eight Fiscal Years
(accrual basis of accounting)

	As of June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities:								
Invested in capital assets, net of related debt	\$25,724,558	\$24,510,941	\$40,266,754	\$41,314,844	\$42,874,052	\$46,841,750	\$46,731,176	\$47,478,186
Restricted	12,660,292	14,485,826	18,454,920	20,622,260	17,423,106	18,691,104	20,854,678	18,261,754
Unrestricted	(19,532,610)	(18,883,570)	(16,626,350)	(12,149,187)	(6,574,356)	(2,056,077)	2,112,202	192,838
Total Governmental Activities net assets	<u>\$18,852,240</u>	<u>\$20,113,197</u>	<u>\$42,095,324</u>	<u>\$49,787,917</u>	<u>\$53,722,802</u>	<u>\$63,476,777</u>	<u>\$69,698,056</u>	<u>\$65,932,778</u>
Business-type Activities:								
Invested in capital assets, net of related debt	\$1,481,215	\$1,663,333	\$1,977,725	\$1,867,831	\$1,946,770	\$2,906,167	\$2,792,408	\$2,823,021
Restricted	-	-	-	-	-	-	-	-
Unrestricted	153,476	166,508	184,746	230,827	227,777	163,974	184,878	210,457
Total Business-type Activities net assets	<u>\$1,634,691</u>	<u>\$1,829,841</u>	<u>\$2,162,471</u>	<u>\$2,098,658</u>	<u>\$2,174,547</u>	<u>\$3,070,141</u>	<u>\$2,977,286</u>	<u>\$3,033,478</u>
Primary Government:								
Invested in capital assets, net of related debt	\$27,205,773	\$26,174,274	\$42,244,479	\$43,182,675	\$44,820,822	\$49,747,917	\$49,523,584	\$50,301,207
Restricted	12,660,292	14,485,826	18,454,920	20,622,260	17,423,106	18,691,104	20,854,678	18,261,754
Unrestricted	(19,379,134)	(18,717,062)	(16,441,604)	(11,918,360)	(6,346,579)	(1,892,103)	2,297,080	403,295
Total Primary Government net assets	<u>\$20,486,931</u>	<u>\$21,943,038</u>	<u>\$44,257,795</u>	<u>\$51,886,575</u>	<u>\$55,897,349</u>	<u>\$66,546,918</u>	<u>\$72,675,342</u>	<u>\$68,966,256</u>

Notes:

- (1) Accrual basis financial statements for the county government as a whole is available only back to 2003, the year GASB Statement 34 was implemented.
- (2) The balances as of June 30, 2005 include infrastructure assets for the first time.
- (3) 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 Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses:								
Governmental Activities:								
General Government	\$6,068,483	\$7,562,145	\$8,019,981	\$4,230,673	\$2,600,514	\$4,505,267	\$3,554,768	\$3,105,746
Public Safety	17,406,989	16,035,512	15,217,040	16,124,831	18,228,829	18,288,469	18,674,398	20,288,250
Public Works	5,420,435	5,795,684	7,487,302	5,912,624	5,687,268	5,350,527	8,213,897	9,551,563
Culture and Recreation	5,801,350	3,587,034	3,454,429	3,340,311	2,883,124	2,398,748	2,569,225	2,457,628
Community Development	2,899,438	2,782,839	2,537,919	4,603,135	3,963,488	2,971,068	3,057,506	4,295,501
Health & Human Services	26,559,366	27,043,154	27,547,123	26,047,563	13,326,948	8,124,116	8,074,595	7,995,407
Interest on long-term debt	1,371,960	1,477,150	1,372,836	1,299,545	1,415,435	1,251,165	1,221,383	993,901
Total Governmental Activities expenses	<u>65,528,021</u>	<u>64,283,518</u>	<u>65,636,630</u>	<u>61,558,682</u>	<u>48,105,606</u>	<u>42,889,360</u>	<u>45,365,772</u>	<u>48,687,996</u>
Business-type Activities:								
Jail Commissary	29,335	28,782	39,410	66,547	63,405	36,600	66,893	64,104
County Airports	532,743	581,488	592,640	608,669	575,729	609,390	719,103	780,848
Total Business-type Activities expenses	<u>562,078</u>	<u>610,270</u>	<u>632,050</u>	<u>675,216</u>	<u>639,134</u>	<u>645,990</u>	<u>785,996</u>	<u>844,952</u>
Total Primary Government expenses	<u>\$66,090,099</u>	<u>\$64,893,788</u>	<u>\$66,268,680</u>	<u>\$62,233,898</u>	<u>\$48,744,740</u>	<u>\$43,535,350</u>	<u>\$46,151,768</u>	<u>\$49,532,948</u>
Program Revenues:								
Governmental Activities:								
Charges for Services:								
General Government	\$1,458,947	\$1,696,813	\$6,218,250	\$5,642,574	\$2,129,445	\$966,763	\$2,636,988	\$1,714,988
Public Safety	2,703,110	748,900	16,179	20,420	2,604,016	1,856,199	1,854,259	1,883,974
Public Works	756,714	125,780	123,359	126,396	131,098	227,253	296,886	146,557
Culture and Recreation	1,580,144	1,528,374	1,350,210	1,468,255	1,530,078	1,178,971	1,449,110	1,399,433
Community Development	2,214,116	2,923,765	1,059,562	1,205,988	1,369,546	2,381,508	2,018,546	1,278,033
Health & Human Services	2,931,039	2,119,446	689,049	670,162	1,190,256	1,360,527	1,692,426	1,425,936
Operating Grants and Contributions	39,358,149	41,861,914	42,862,587	43,131,333	25,055,783	26,709,265	21,822,753	21,632,056
Capital Grants and Contributions	-	-	3,923,000	-	113,817	56,000	3,464,680	304,227
Total Governmental Activities program revenues	<u>51,002,219</u>	<u>51,004,992</u>	<u>56,242,196</u>	<u>52,265,128</u>	<u>34,124,039</u>	<u>34,736,486</u>	<u>35,235,648</u>	<u>29,785,204</u>
Business-type Activities:								
Charges for Services:								
Jail Commissary	41,970	49,547	60,343	70,346	57,768	63,606	45,450	78,142
County Airports	425,584	230,904	293,448	405,188	450,110	450,831	521,850	427,165
Capital Grants and Contributions	151,749	504,964	565,631	69,542	188,600	1,062,974	111,338	369,689
Total Business-type Activities program revenues	<u>619,303</u>	<u>785,415</u>	<u>919,422</u>	<u>545,076</u>	<u>696,478</u>	<u>1,577,411</u>	<u>678,638</u>	<u>874,996</u>
Total Primary Government program revenues	<u>\$51,621,522</u>	<u>\$51,790,407</u>	<u>\$57,161,618</u>	<u>\$52,810,204</u>	<u>\$34,820,517</u>	<u>\$36,313,897</u>	<u>\$35,914,286</u>	<u>\$30,660,200</u>
Net (expenses) revenues:								
Governmental Activities	(\$14,525,802)	(\$13,278,526)	(\$9,394,434)	(\$9,293,554)	(\$13,981,567)	(\$8,152,874)	(\$10,130,124)	(\$18,902,792)
Business-type Activities	57,225	175,145	287,372	(130,140)	57,344	931,421	(107,358)	30,044
Total Primary Government net expense	<u>(\$14,468,577)</u>	<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>

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JOSEPHINE COUNTY, OREGON

Changes in Net Assets (Continued)

Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (expenses) revenues (from previous page):								
Governmental Activities	(\$14,525,802)	(\$13,278,526)	(\$9,394,434)	(\$9,293,554)	(\$13,981,567)	(\$8,152,874)	(\$10,130,124)	(\$18,902,792)
Business-type Activities	57,225	175,145	287,372	(130,140)	57,344	931,421	(107,358)	30,044
Total Primary Government net expense	<u>(14,468,577)</u>	<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>
General Revenues and Other Changes in Net Assets:								
Governmental Activities:								
Taxes:								
Property Taxes	3,782,711	3,759,885	3,858,159	3,957,320	4,137,828	4,390,498	4,661,545	4,891,102
Unrestricted O&C Revenue Safety Net Support	11,253,913	11,388,960	11,537,016	11,802,368	11,920,391	11,895,928	10,728,352	9,655,517
Investment Earnings	361,723	322,049	671,299	1,283,459	1,866,053	1,576,486	970,106	613,695
Transfers	(12,000)	(12,000)	(37,000)	(57,000)	(7,820)	43,937	(8,600)	(22,800)
Total Governmental Activities	<u>15,386,347</u>	<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>
Business-type Activities:								
Investment Earnings	2,983	8,005	4,476	9,327	10,725	8,110	5,903	3,348
Transfers	12,000	12,000	37,000	57,000	7,820	(43,937)	8,600	22,800
Total Business-type Activities	<u>14,983</u>	<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>
Total Primary Government	<u>15,401,330</u>	<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>
Change in Net Assets:								
Governmental Activities	860,545	2,180,368	6,635,040	7,692,593	3,934,885	9,753,975	6,221,279	(3,765,278)
Business-type Activities	72,208	195,150	328,848	(63,813)	75,889	895,594	(92,855)	56,192
Total Primary Government	<u>\$932,753</u>	<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>

Note: Accrual basis financial statements for the county government as a whole is available only back to 2003, the year GASB Statement 34 was implemented.

JOSEPHINE COUNTY, OREGON

Fund Balances of Governmental Funds

Last Eight Fiscal Years

(modified accrual basis of accounting)

	As of June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund:								
Reserved	\$ 3,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,094,295	2,494,819	2,660,756	4,135,655	5,425,422	3,952,683	3,598,996	3,462,700
Total General Fund	<u>\$ 2,097,963</u>	<u>\$ 2,494,819</u>	<u>\$ 2,660,756</u>	<u>\$ 4,135,655</u>	<u>\$ 5,425,422</u>	<u>\$ 3,952,683</u>	<u>\$ 3,598,996</u>	<u>\$ 3,462,700</u>
All other governmental funds:								
Reserved	\$ 1,219,229	\$ 966,675	\$ 1,020,560	\$ 2,078,253	\$ 594,850	\$ 627,054	\$ 1,162,807	\$ 414,672
Unreserved, reported in:								
Special revenue funds	11,339,351	13,620,725	14,173,306	14,935,820	15,331,547	24,247,936	26,728,405	25,076,912
Debt service funds	310,397	1,138,761	1,651,013	764,474	-	-	168,214	165,430
Capital project funds	(39,297)	108,457	3,587,159	3,549,672	5,501,802	2,758,755	6,036,704	5,213,017
Permanent funds	171,685	181,547	140,460	160,224	185,916	208,788	222,803	-
Total all other governmental funds	<u>\$ 13,001,365</u>	<u>\$ 16,016,165</u>	<u>\$ 20,572,498</u>	<u>\$ 21,488,443</u>	<u>\$ 21,614,115</u>	<u>\$ 27,842,533</u>	<u>\$ 34,318,933</u>	<u>\$ 30,870,031</u>

Due to changes in the county's fund structure connected with the implementation of GASB 34, fund balance information is available only back to 2003.

JOSEPHINE COUNTY, OREGON

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes	\$5,392,317	\$4,105,300	\$3,907,165	\$3,883,987	\$3,970,604	\$4,095,041	\$4,184,157	\$4,438,328	\$4,581,410	\$4,826,026
Fees and Charges for Services	6,485,462	7,776,705	6,982,626	8,318,255	8,696,834	8,840,202	8,509,403	7,812,689	7,735,370	6,730,365
Intergovernmental Revenues	39,030,392	48,987,690	50,211,593	49,731,153	56,593,851	53,425,843	36,164,952	36,699,746	35,523,619	31,311,196
Interfund Charges for Services	1,257,680	1,443,049	2,600,649	3,288,879	3,809,682	1,943,228	1,541,932	1,753,682	1,598,320	1,531,425
Other Revenues	3,236,466	2,843,905	4,705,372	3,712,055	2,205,516	2,227,569	2,464,183	3,238,630	2,644,969	1,378,407
Total Revenues	<u>55,402,317</u>	<u>65,156,649</u>	<u>68,407,405</u>	<u>68,934,329</u>	<u>75,276,487</u>	<u>70,531,883</u>	<u>52,864,627</u>	<u>53,943,075</u>	<u>52,083,688</u>	<u>45,777,419</u>
Expenditures:										
General Government	5,116,720	7,568,789	6,772,013	7,034,606	7,881,158	5,521,445	2,892,577	3,767,602	3,034,443	3,343,636
Public Safety	16,005,669	15,490,719	17,176,501	16,438,386	17,373,070	17,647,363	17,866,561	18,149,093	17,718,712	18,761,904
Public Works	6,973,076	5,305,656	5,298,780	6,258,326	8,476,944	7,760,070	6,906,119	9,415,379	7,258,275	8,564,515
Culture & Recreation	5,174,086	5,408,758	5,616,494	3,567,235	3,564,773	3,441,299	2,680,596	2,347,670	2,682,453	2,410,184
Community Development	2,348,234	2,956,275	2,882,527	2,917,763	2,783,732	4,948,449	3,808,406	2,885,006	2,902,631	4,049,645
Human Services	21,632,905	27,155,247	27,055,586	27,589,814	28,397,568	26,554,315	12,487,281	7,792,849	7,887,824	7,594,218
Debt Service - Principal	742,834	769,930	979,945	1,082,142	955,258	1,089,747	1,196,162	1,170,208	1,296,925	1,315,323
Debt Service - Interest	645,610	928,277	1,082,423	1,048,909	1,022,337	995,898	1,110,066	948,524	914,495	779,645
Debt Service - Bond issuance cost	-	-	-	-	-	-	-	-	127,103	-
Total Expenditures	<u>58,639,134</u>	<u>65,583,651</u>	<u>66,864,269</u>	<u>65,937,181</u>	<u>70,454,840</u>	<u>67,958,586</u>	<u>48,947,768</u>	<u>46,476,331</u>	<u>43,822,861</u>	<u>46,819,070</u>
Excess of Revenues Over (Under)										
Expenditures	<u>(3,236,817)</u>	<u>(427,002)</u>	<u>1,543,136</u>	<u>2,997,148</u>	<u>4,821,647</u>	<u>2,573,297</u>	<u>3,916,859</u>	<u>7,466,744</u>	<u>8,260,827</u>	<u>(1,041,651)</u>
Other Financing Sources (Uses):										
Debt Proceeds	-	12,882,727	369,000	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	7,920,000	-
Premium on refunding bonds	-	-	-	-	-	-	-	-	391,656	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(8,184,553)	-
Transfers In	4,434,992	3,695,909	3,289,269	4,279,981	5,151,809	4,372,389	22,310,938	7,550,782	8,228,071	7,471,302
Transfers Out	(4,194,312)	(4,739,128)	(4,201,217)	(3,865,473)	(5,251,386)	(4,554,842)	(24,047,884)	(10,261,847)	(10,493,288)	(10,014,849)
Total Other Financing Sources (Uses)	<u>240,680</u>	<u>11,839,508</u>	<u>(542,948)</u>	<u>414,508</u>	<u>(99,577)</u>	<u>(182,453)</u>	<u>(1,736,946)</u>	<u>(2,711,065)</u>	<u>(2,138,114)</u>	<u>(2,543,547)</u>
Net Change in Fund Balance	<u>\$ (2,996,137)</u>	<u>\$ 11,412,506</u>	<u>\$ 1,000,188</u>	<u>\$ 3,411,656</u>	<u>\$ 4,722,070</u>	<u>\$ 2,390,844</u>	<u>\$ 2,179,913</u>	<u>\$ 4,755,679</u>	<u>\$ 6,122,713</u>	<u>\$ (3,585,198)</u>
Debt service as a percentage of noncapital expenditures	<u>2.4%</u>	<u>2.6%</u>	<u>3.1%</u>	<u>3.3%</u>	<u>2.8%</u>	<u>3.2%</u>	<u>5.1%</u>	<u>5.2%</u>	<u>5.2%</u>	<u>4.5%</u>

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	
2000-01	1.52	\$3,301,818,997	\$117,922,460	\$81,242,412	\$135,334,122	\$3,636,317,991	\$4,127,856,553
2001-02	0.96	3,482,266,765	121,049,292	82,342,601	143,339,062	3,828,997,720	4,436,423,374
2002-03	0.93	3,677,567,535	119,945,632	80,764,669	142,176,006	4,020,453,842	4,803,016,923
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

(1) - Per \$1,000 of assessed value.

* *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	Josephine County	Cities		Rural Fire Districts				Special School Districts			Rogue Community College	4H Extension
		Grants Pass	Cave Junction	Applegate	Illinois Valley	Williams	Wolf Creek	Grants Pass	Three Rivers	So. OR. ESD		
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
2005-06	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	0.81	5.62	1.90	2.53	2.35	1.06	2.98	6.48	4.34	0.35	0.51	0.05
2007-08	0.80	6.13	1.90	2.53	2.31	1.59	2.98	6.41	4.30	0.35	0.51	0.05
2008-09	0.79	6.12	1.90	2.53	2.26	1.59	2.98	6.21	4.29	0.35	0.51	0.05
2009-10	0.77	6.32	1.90	2.53	2.23	1.59	2.88	6.43	4.28	0.35	0.51	0.05

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

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 Property Taxpayers

Current Year and Nine Years Ago

Principal Taxpayers	2010			2001		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Pacificcorp (PP&L)	\$ 76,007,580	1	1.25%	\$ 59,117,100	1	1.63%
Auerbach Grants Pass LLC and Freeman Grants Pass LLC	17,075,600	2	0.28%			
Masterbrand Cabinets, Inc.	17,400,900	3	0.29%			
QWEST Corporation	19,843,130	4	0.33%			
Nunn, Ronald C & Marcia K	17,341,301	5	0.28%	12,270,780	5	0.34%
Lynn-Ann Development LLC	13,600,666	6	0.22%			
Charter Communications	13,546,800	7	0.22%			
Grants Pass FMS LLC	13,345,550	8	0.22%			
Wal-Mart Stores, Inc.	13,097,545	9	0.22%			
Paradise Ranchland Development LLC	25,007,060	10	0.41%			
US West, Inc.				32,226,980	2	0.89%
Grant Kent Partners LP/Fred Meyer				10,672,350	3	0.29%
Grants Pass Associates - 1981				10,332,070	4	0.28%
Johnson, Carl D.				8,355,590	6	0.23%
Jensen, Robert A & Shirley Y				6,992,253	7	0.19%
Avista Corporation				8,551,014	8	0.24%
Hillebrand Children Riverwood Apartments				6,123,773	9	0.17%
Marquis Suites				5,622,452	10	0.15%
Total Principal Taxpayers	\$ 226,266,132		3.72%	\$160,264,362		4.41%

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, 2010	
		Discounts Allowed	Collections (2)	Percent (2)		Collections (2)	Percent (2)	Delinquent Taxes	Percentage to Total Tax Levy
2000-01	\$5,421,884	\$125,299	\$5,072,215	93.6%	\$223,987	\$5,296,202	97.7%	\$383	0.01%
2001-02	3,605,575	83,883	3,383,798	93.8%	137,587	3,521,385	97.7%	307	0.01%
2002-03	3,677,044	86,904	3,458,544	94.1%	131,253	3,589,797	97.6%	343	0.01%
2003-04	3,648,728	86,980	3,447,640	94.5%	113,651	3,561,291	97.6%	457	0.01%
2004-05	3,719,994	90,026	3,514,250	94.5%	115,214	3,629,464	97.6%	504	0.01%
2005-06	3,870,112	94,690	3,669,691	94.8%	104,282	3,773,973	97.5%	1,449	0.04%
2006-07	4,033,916	97,973	3,803,545	94.3%	121,120	3,924,665	97.3%	11,278	0.28%
2007-08	4,263,339	102,983	4,011,908	94.1%	106,530	4,118,438	96.6%	41,918	0.98%
2008-09	4,484,396	105,608	4,185,668	93.3%	98,746	4,284,414	95.5%	94,374	2.10%
2009-10	4,625,028	110,526	4,301,176	93.0%	0	4,301,176	93.0%	213,326	4.61%

(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

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			
2001	\$ 13,628,453	\$ -	\$ 812,157	\$ 14,440,610	0.16%	\$ 194.62
2002	12,859,523	12,894,947	864,484	26,618,954	0.09%	346.38
2003	12,070,000	13,179,316	1,136,311	26,385,627	0.09%	338.49
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	0.11%	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	0.13%	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	N/A	249.34
2010	7,150,000	12,399,356	285,393	19,834,749	N/A	237.26

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
2001	74,199	\$3,636,318	\$13,628,453	\$262,380	\$13,366,073	0.37%	180.14
2002	76,850	3,828,998	12,859,523	610,951	12,248,572	0.32%	159.38
2003	77,950	4,020,454	12,070,000	65,220	12,004,780	0.30%	154.01
2004	78,350	4,234,021	11,485,000	147,531	11,337,469	0.27%	144.70
2005	79,920	4,481,076	10,875,000	145,620	10,729,380	0.24%	134.25
2006	80,761	4,762,774	10,240,000	134,136	10,105,864	0.21%	125.13
2007	81,688	5,077,309	9,575,000	102,095	9,472,905	0.19%	115.96
2008	83,290	5,383,788	8,885,000	103,520	8,781,480	0.16%	105.43
2009	83,665	5,655,224	7,920,000	85,010	7,834,990	0.14%	93.65
2010	83,600	5,908,491	7,150,000	140,732	7,009,268	0.12%	83.84

⁽¹⁾ U.S. Census Bureau (Portland State University beginning in 2008)

⁽²⁾ Josephine County Assessor's Office

JOSEPHINE COUNTY, OREGON

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

June 30, 2010

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable To Josephine County</u>	<u>Amount Applicable To Josephine County</u>
Direct:			
Counties:			
Josephine	\$ 7,150,000	100.00%	\$ 7,150,000
Overlapping:			
Cities:			
Grants Pass	7,930,000	100.00%	7,930,000
Cave Junction	None	-	-
Rural Fire Protection Districts:			
Illinois Valley RFPD 1	1,845,000	100.00%	1,845,000
Williams RFPD	135,000	100.00%	135,000
Wolf Creek RFPD	None	-	-
Community Colleges:			
Rogue Community College	None	-	-
School Districts:			
Grants Pass District 7	10,795,000	100.00%	10,795,000
Three Rivers District	18,630,000	96.94%	18,059,922
Total	<u>\$ 46,485,000</u>		<u>\$ 45,914,922</u>

JOSEPHINE COUNTY, OREGON

Legal Debt Margin Information

Last Ten Fiscal Years

(amounts expressed in thousands)

	As of June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Real Market Value of taxable property ⁽¹⁾	<u>\$ 4,127,857</u>	<u>\$ 4,436,423</u>	<u>\$ 4,803,017</u>	<u>\$ 5,478,749</u>	<u>\$ 6,502,754</u>	<u>\$ 8,017,638</u>	<u>\$ 9,900,996</u>	<u>\$ 10,626,563</u>	<u>\$ 10,271,203</u>	<u>\$ 9,182,834</u>
Debt Limit, 2% of Real Market Value	<u>\$ 82,557</u>	<u>\$ 88,728</u>	<u>\$ 96,060</u>	<u>\$ 109,575</u>	<u>\$ 130,055</u>	<u>\$ 160,353</u>	<u>\$ 198,020</u>	<u>\$ 212,531</u>	<u>\$ 205,424</u>	<u>\$ 183,657</u>
Total net debt applicable to limit	<u>13,366</u>	<u>12,249</u>	<u>12,005</u>	<u>11,337</u>	<u>10,729</u>	<u>10,106</u>	<u>9,473</u>	<u>8,781</u>	<u>7,835</u>	<u>7,009</u>
Legal debt margin	<u>\$ 69,191</u>	<u>\$ 76,479</u>	<u>\$ 84,055</u>	<u>\$ 98,238</u>	<u>\$ 119,326</u>	<u>\$ 150,247</u>	<u>\$ 188,547</u>	<u>\$ 203,750</u>	<u>\$ 197,589</u>	<u>\$ 176,648</u>
Total net debt applicable to this limit as a percentage of debt limit	<u>16.19%</u>	<u>13.81%</u>	<u>12.50%</u>	<u>10.35%</u>	<u>8.25%</u>	<u>6.30%</u>	<u>4.78%</u>	<u>4.13%</u>	<u>3.81%</u>	<u>3.82%</u>

⁽¹⁾ Josephine County Assessor's Office

JOSEPHINE COUNTY, OREGON

Demographic Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population⁽¹⁾</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income⁽⁴⁾</u>	<u>School Enrollment⁽²⁾</u>	<u>Unemployment Rate⁽⁴⁾ for June</u>	<u>Median Age⁽³⁾</u>
2000-01	74,199	\$1,649,518	\$22,231	24,504	8.0%	N/A
2001-02	76,850	\$1,751,488	\$22,791	21,225	8.7%	N/A
2002-03	77,950	\$1,754,343	\$22,506	20,373	9.5%	N/A
2003-04	78,350	\$1,864,945	\$23,367	19,606	8.3%	N/A
2004-05	79,920	\$2,013,824	\$25,198	19,324	7.2%	44.0
2005-06	80,761	\$2,117,876	\$26,224	19,644	6.3%	N/A
2006-07	81,688	\$2,268,470	\$27,770	20,152	6.7%	43.6
2007-08	83,290	N/A	\$29,287	20,842	7.8%	N/A
2008-09	83,665	N/A	N/A	21,781	14.7%	44.4
2009-10	83,600	N/A	N/A	31,262	13.9%	46.3

⁽¹⁾ U.S. Census Bureau (Portland State University beginning in 2008)

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

⁽³⁾ US Census Bureau

⁽⁴⁾ qualityinfo.org

N/A Information not available

JOSEPHINE COUNTY, OREGON

Principal Employers

Current Year and Nine Years Ago

Principal Employers	2010			2001		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Three Rivers Community Hospital	950	1	3.00%	N/A	6	N/A
Rogue Community College	919	2	2.90%	N/A	2	N/A
Grants Pass School District #7	667	3	2.11%	N/A	3	N/A
Three Rivers School District	639	4	2.02%	N/A	1	N/A
Fire Mountain Gems	482	5	1.52%	N/A	N/A	N/A
Josephine County	469	6	1.48%	N/A	7	N/A
Wal-Mart	460	7	1.45%	N/A	9	N/A
Masterbrand Cabinet Company	328	8	1.04%	N/A	N/A	N/A
Barrett Business Services	260	9	0.82%	N/A	N/A	N/A
Diversified Collection Service	260	10	0.82%	N/A	N/A	N/A
Fred Meyer **	231	11		N/A	5	N/A
Siskiyou National Forest **	180	14		N/A	4	N/A
U.S. Forest Industries (now Timber Products) **	170	15		N/A	8	N/A
Total - Top 10	<u>5,434</u>		<u>17.18%</u>	N/A		N/A

N/A - Information is not available.

Source: Grants Pass Chamber of Commerce

** Not included in Total Top 10. Displayed for historical purposes.

JOSEPHINE COUNTY, OREGON

Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	36.8	35.6	35.9	34.6	34.4	34.0	36.7	34.5	34.3	32.9
Public Safety	184.7	228.5	227.4	207.7	212.3	205.9	217.0	201.6	213.1	214.4
Public Works	94.3	105.0	95.6	86.0	73.9	74.0	74.9	61.0	67.3	73.4
Culture & Recreation	44.1	47.3	44.2	33.8	35.5	30.7	19.5	16.8	18.9	21.3
Community Development	30.9	28.5	30.2	28.4	27.8	27.3	32.5	33.0	32.9	32.2
Human Services	220.2	232.9	252.3	245.5	230.9	219.9	45.2	56.4	52.5	52.3
Total	611.0	677.9	685.5	636.0	614.9	591.7	425.7	403.3	419.0	426.5

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	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
County Sheriff										
Jail bookings	4,705	5,647	5,170	4,710	4,612	4,944	5,130	5,452	6,575	4,956
Inmates released due to lack of available resources	N/A	N/A	496	496	805	1,163	1,358	385	309	314
Average daily jail population	200	200	170	150	125	120	140	135	106	143
Patrol - calls for service	N/A	N/A	69,795	60,184	65,474	63,000	54,802	56,942	54,524	59,762
District Attorney										
Criminal prosecution cases filed	3,349	3,575	3,610	3,366	3,281	3,323	2,960	2,671	2,779	2,731
Child support cases	988	927	919	926	936	914	933	925	917	912
Community Justice										
Work crew participants	1,603	2,196	1,501	1,016	1,267	1,498	1,854	1,337	1,729	1,530
Juvenile Justice intakes	1,096	1,150	1,358	1,209	1,078	1,035	1,046	1,092	1,106	884
Public Health										
Inspections of food services	740	712	532	1,213	1,062	1,275	1,208	1,163	1,339	1,347
Immunizations given	16,587	17,956	14,991	15,336	11,018	10,283	10,074	10,250	10,455	10,942
County Clerk										
Recorded instruments	23,542	22,672	32,979	31,875	34,177	34,484	31,338	27,709	25,602	23,183
Planning Department										
Permits issued	2,209	1,966	2,174	2,094	2,428	2,171	2,099	1,618	1,257	1,132
Parks Department										
Walk-ins	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16,431	17,457	18,869
Reservations taken	N/A	N/A	N/A	N/A	N/A	N/A	N/A	43,569	43,850	40,712

N/A - Information not available.

JOSEPHINE COUNTY, OREGON

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	576	576	576	565	566	566
Bridges maintained	192	194	195	195	195	195	195	193	198	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**





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

Board of County Commissioners
Josephine County, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Josephine County, Oregon, ("County") as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 10, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control 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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its 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*.

This report is intended solely for the information and use of Josephine County Commissioners and management, 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.

Isler CPA

By: Paul R. Nielson
Paul Nielson, CPA, a member of the firm

Eugene, Oregon
February 10, 2011



COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITORS' REQUIRED BY STATE STATUTE

Board of County Commissioners
Josephine County, Oregon

We have audited the financial statements and schedules of Josephine County, Oregon ("County") as of and for the year ended June 30, 2010, and have issued our report thereon dated February 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States, the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance

Compliance with laws, regulations, contracts and grants applicable to Josephine County, Oregon is the responsibility of the County's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the County's 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:

- Deposits 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).

In connection with our testing nothing came to our attention that caused us to believe Josephine County, Oregon 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 except as follows:

1. Over-expended appropriations as noted in footnote 11 of the County's financial statements.

OAR 162-10-0230 Internal Control

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

Our reports on internal control are presented separately under this cover.

This report is intended for the information of the Josephine County Commissioners, management, and the Secretary of State, Division of Audits, of the State of Oregon. However, this report is a matter of public record and its distribution is not limited.

ISLER CPA

By: Paul R. Nielson
Paul Nielson, CPA, a member of the firm

Eugene, Oregon
February 10, 2011

JOSEPHINE COUNTY, OREGON

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

Year Ended June 30, 2010

There is no cash on hand or transactions of independently elected officials for fiscal year June 30, 2010.

JOSEPHINE COUNTY, OREGON

**Schedule of Property Tax Transactions
For the Year Ended June 30, 2010**

Fiscal Year	Uncollected Balance July 1, 2009	Current Tax Levy	Less Discounts and Adjustments	Interest on Delinquent Balances	Less Collections on Taxes (1)	Uncollected Balance June 30, 2010
2009-10		\$ 59,370,425	\$ (1,530,387)	\$ 59,441	\$(55,166,347)	\$ 2,733,133
2008-09	\$ 2,431,192	-	(8,413)	143,211	(1,377,907)	1,188,083
2007-08	885,346	-	(778)	98,416	(451,760)	531,223
2006-07	363,257	-	(734)	100,165	(322,822)	139,866
2005-06	87,714	-	(191)	39,082	(109,290)	17,315
2004-05	11,159	-	(193)	2,857	(8,053)	5,770
2003-04	8,206	-	-	2,886	(6,100)	4,992
Prior Years	20,596	-	-	6,415	(10,840)	16,171
	<u>\$ 3,807,470</u>	<u>\$ 59,370,425</u>	<u>\$ (1,540,696)</u>	<u>\$ 452,473</u>	<u>\$(57,453,119)</u>	<u>\$ 4,636,553</u>

Taxes Receivable Classified by Fund:

General Fund	\$ 275,011
Library Operating Fund	162
4-H Extension	12,516
Adult Jail Facility Debt Service	89,634
Unsegregated tax and interest fund	4,259,230
	<u>\$ 4,636,553</u>

(1) Amount includes property tax collections and interest on delinquent taxes.

Source: County Treasurer



REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of County Commissioners
Josephine County, Oregon

Compliance

We have audited the compliance of the Josephine County, Oregon ("County") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 the County's 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the County's internal control over compliance.

A deficiency in internal control over compliance 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 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 controls 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.

Internal Control Over Compliance (continued)

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted certain matters that we reported to the management of Josephine County in a separate letter dated February 10, 2011.

This report is intended solely for the information and use of Josephine County Commissioners and management, 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.

Isler CPA

By: Paul R. Nielson
Paul Nielson, CPA, a member of the firm

Eugene, Oregon
February 10, 2011

JOSEPHINE COUNTY, OREGON
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

I. SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Josephine County.
2. No reportable conditions relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Josephine County were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the County expresses an unqualified opinion.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as a major program were:
 - Secure Rural Schools and Community Self-Determination Act of 2000, CFDA #10.665
 - Community Services Block Grant, CFDA #14.228
 - SAMSHA – Substance Abuse and Mental Health Services, CFDA #93.243
 - Substance Abuse Prevention and Treatment Block Grant, CFDA #93.959
 - Formula Grants for Other Than Urbanized Areas, CFDA #20.509
8. The threshold for distinguishing between Type A and B programs was \$535,559.
9. The County was determined to be a low-risk auditee.

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

IV. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None

JOSEPHINE COUNTY, OREGON

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

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	15.227	N/A	\$ 9,655,517
Title III - County Projects	15.227	N/A	795,160
Passed through Oregon Dept of Fish & Wildlife:			
Multistate Conservation Grant Program - Indian Mary Ramp	15.628	1364	112,027
Total U.S. Department of the Interior			10,562,704
U.S. Department of Agriculture:			
Forest Service:			
Secure Rural Schools and Community Self-Determination Act of 2000:			
Title I - Secure Payments	10.665	N/A	2,109,145
Title III - County Projects	10.665	N/A	173,661
Forest Service:			
Recovery Act of 2009: Wildland Fire Management - ARRA	10.688	09-FI11060489-026	232,414
Passed through Oregon Dept of Human Services - Health Division:			
Women, Infants and Children	10.557	128015	404,395
Passed through Oregon Department of Education:			
Commodities			
School Breakfast Program	10.553	None	9,104
National School Lunch Program	10.555	None	20,927
Child Nutrition Discretionary	10.579	None	5,000
Total U.S. Department of Agriculture			2,954,646
U.S. Department of Justice:			
Passed through Oregon Department of Justice:			
VOCA - Crime Victims Assistance	16.575		58,558
Edward Byrne Memorial Justice Assistance Grant (JAG) Program - ARRA	16.804	2009-SB-B9-1401	6,612
Edward Byrne Memorial Competative Grant (SORT) - ARRA	16.808	2009-SC-B9-0113/-0166	17,250
Assist. to Rural Law Enforcement to Combat Crime & Drugs Grant - ARRA	16.810	2009-SD-B9-0166	22,657
Passed through Oregon Commission on Children and Families:			
Juvenile Accountability Block Grant	16.523	2008-6353	10,000
Passed through Oregon Dept of Human Services - Health Division:			
Enforcing Underage Drinking Program	16.727	unavailable	12,000
Total U.S. Department of Justice			127,077
U.S. Office of Environmental Protection Agency:			
Passed through Oregon Dept of Human Services - Health Division:			
State Public Water System Supervision	66.432	128894	33,489
Capitalization Grant for Drinking Water	66.468	unavailable	7,123
Total U.S. Office of Environmental Protection Agency			40,612
U.S. Department of Housing and Urban Development:			
Passed through Oregon Housing and Community Services:			
Community Services Block Grant	14.228	HR911/2082	776,066
Total U.S. Department of Housing and Urban Development			776,066
U.S. Department of Health and Human Services:			
SAMSHA - Substance Abuse and Mental Health Services	93.243	5H79TI016542-05	406,291
SAMSHA - Drug Free Communities	93.276	5H79SP013159-10	138,869
Passed through Oregon Dept of Human Services - Health Division:			
Bioterrorism Preparedness and Response	93.069	128015	261,148
TB Control and AIDS	93.116	128015	214
Oral Disease & Disorders Research - Baby Smiles Study Klamath County	93.121	None	49,776
Family Planning Services	93.217	128015	11,111
Immunization Grants	93.268	128015	1,200
Immunization & Vaccinations for Children - ARRA	93.712	128015	10,845
HIV Prevention Project	93.940	128015	18,895
CMHS Block Grant for Community Mental Health	93.958	127303	90,706
Substance Abuse Prevention and Treatment (SAPT) Block Grant	93.959	127303	517,166
Preventative Health Block Grant	93.991	128015	3,500
Maternal and Child Health (MCH) Services Block Grant	93.994	128015	45,624
Social Security Disability	96.001	None	175

Passed through Oregon Department of Justice:

JOSEPHINE COUNTY, OREGON

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Grantor or Pass-Through Grantor and Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
Child Support Enforcement	93.563	07-GOV-DA-13	174,969
Passed through Oregon Commission on Children and Families:			
Promoting Safe and Stable Families	93.556	JOS0911	9,531
Temp Assistance for Needy Families (TANF)	93.558	124944/127303	96,567
Social Services Block Grant / Title XX	93.667	JOS0911/124944	26,612
Healthy Start / Title XIX Medicaid	93.778	125246/125383/124944/127303	251,082
Healthy Start / Title XIX Medicaid - ARRA	93.778	125246	26,155
Total U.S. Department of Health and Human Services			2,140,436
U.S. Department of Transportation:			
Federal Aviation Administration - Airport Improvement Program	20.106	DOT-FA08NM-0063/-0060/-FA09NM-0042	416,873
Passed through Oregon Department of Transportation:			
Highway Planning and Construction	20.205	23302/21507/23831/25360/25400	6,225
Formula Grants for Other Than Urbanized Areas	20.509	25819/TAP 2010	151,381
Formula Grants for Other Than Urbanized Areas - ARRA	20.509	25606/25713/25631	482,865
New Freedom Program	20.521	25870	8,484
State and Community Highway Program	20.600	25360	8,775
Passed through Oregon Parks & Recreation Dept:			
Recreational Trail Program (RTP) - Tom Pearce Park Trail RT09(005)	20.219	RT09(005)	64,115
Total U.S. Department of Transportation			1,138,718
U.S. Department of Homeland Security:			
Passed through Oregon Department of State Police:			
Emergency Management (EMPG)	97.042	unavailable	10,521
Citizen Corps	97.053	unavailable	1,558
State Homeland Security Program (SHSP)	97.073	unavailable	6,250
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	unavailable	91,185
Total U.S. Department of Homeland Security			109,514
U.S. Department of Education:			
Passed through Oregon Dept of Human Services - Health Division:			
Vocational Rehabilitation Grants to States	84.126	127303	705
Vocational Rehabilitation Grants to States - ARRA	84.390	127303	553
Total U.S. Department of Education			1,258
U.S. Dept of General Services Administration:			
Donation of Federal Surplus Personal Property to Sheriff's Office	39.003	None	949
Total U.S. Dept of General Services Administration			949
Total Expenditures of Federal Awards			\$ 17,851,980

JOSEPHINE COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

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, 2010.

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, 2010, 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 \$5,171 was received in non-cash assistance and is included in the federal awards expended.