



COOS COUNTY, OREGON

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2011

**COOS COUNTY, OREGON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011**

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BOARD OF DIRECTORS

COOS COUNTY, OREGON

BOARD OF COMMISSIONERS

June 30, 2011

Bob Main, Chairperson – December 31, 2012
791 E. 10th Street
Coquille, OR 97423

Fred R. Messerle, Commissioner – December 31, 2012
60196 Old Wagon Road
Coos Bay, OR 97420

Allen 'Cam' Parry, Commissioner – December 31, 2012
P.O. Box 5924
Charleston, OR 97420

ELECTED OFFICIALS

Mary Barton, County Treasurer - December 31, 2012

Steve Jansen, Assessor - December 31, 2012

Terri Turi, County Clerk - December 31, 2014

Mike Dado, County Surveyor - December 31, 2012

Craig Zanni, County Sheriff - December 31, 2014

R. Paul Frasier, County District Attorney - December 31, 2012

MAILING ADDRESS

Coos County Courthouse
250 N. Baxter
Coquille, Oregon 97423
(541) 396-3121 Ext. 225

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

February 3, 2012

To the Board of Commissioners of Coos County:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Coos County, Oregon, (the County) as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Coos County's management. Our responsibility is to express opinions on these financial statements based on our audit.


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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Coos County, as of June 30, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 3, 2012, on our consideration of Coos County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information for the General Fund and major special revenue funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coos County's basic financial statements. The supplemental financial information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Hough, MacAdam & Wartnik, LLC
Certified Public Accountants

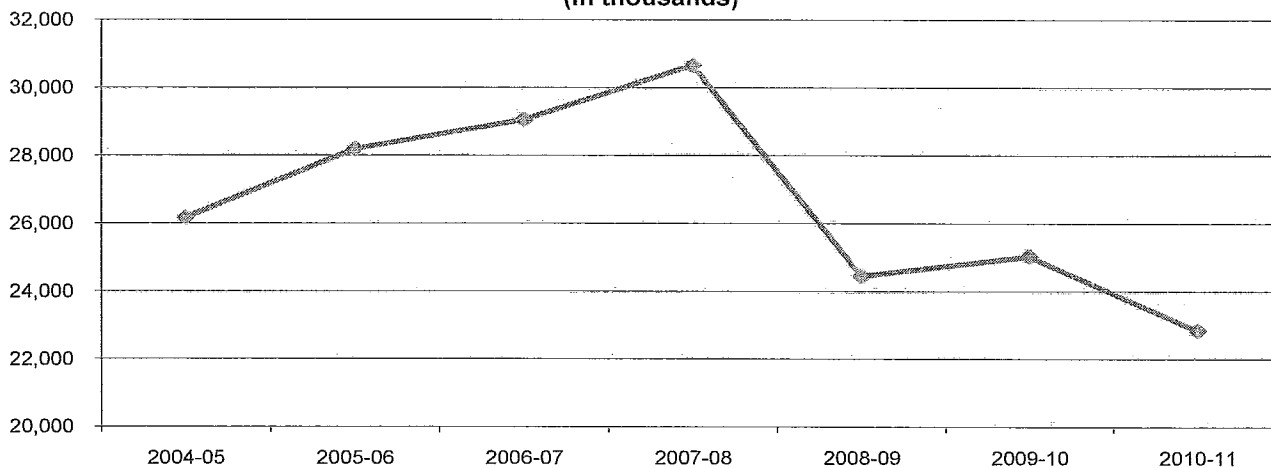
COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

The management of Coos County, Oregon offers this overview and analysis of the financial activities of the County, for the fiscal year ended June 30, 2011. We encourage readers to consider the information here in conjunction with the accompanying basic financial statements.

Financial Highlights (*dollars in thousands*)

- The County's assets exceeded its liabilities at June 30, 2011 by \$152,154, (*net assets*) – a decrease of (\$194) or (.13%). Of this amount, \$28,549 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's revenues increased by 8.6% in the Governmental activities, they decreased by (16%) in the Proprietary activities. Expenses for the Governmental activities increased by \$1,551 or 3.7%, and Proprietary decreased by (\$89) or (1.7%). Overall net assets had only modest changes; Proprietary funds decreased by (.78%), while Governmental funds saw an overall increase in net assets of \$86 or .07%.

General Fund Resources
(in thousands)



Overview of the Financial Statements

Coos County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business. The government-wide financial statements include not only the county itself (known as the primary government), but also three legally separate component units, Coos County Library Service District, Coos County 4-H Extension Service District, and the Coos County Area Transit Service District, for which the County is financially accountable. Although legally separate, the governing body of each component unit is identical to the County's, and because the services of the component units are exclusively for the benefit of the County, they are included as an integral part of the primary government. Complete financial statements for each may be obtained from the Coos County Treasurer's Office, 250 N. Baxter, Coquille, OR 97423.

» The *statement of net assets* presents information on all the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

» The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental funds are used to account for the financial resources of the County that are not accounted for in any other fund. Principal sources of revenue are Oregon and California land grant proceeds, state and federal revenues, property taxes, licenses and permits, charges for services and interest. Ordinary expenditures are for general administration, public safety, community services, and welfare and health services.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented *for governmental funds* with similar information presented *for governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. There is a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Public Works fund, County Forest fund, and the Mental Health fund, which are considered to be major funds. Data from the other 30 governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided in the supplementary statements section of this report.

The County adopts an annual budget for all of its funds except the fiduciary funds. A budgetary comparison statement has been provided for the governmental funds as part of the basic financial statements. There are also individual budgetary statements for all major and non-major funds to demonstrate compliance with this budget elsewhere in this report.

Special Revenue Funds – Special Revenue funds are used to account for proceeds of specific revenue sources that are restricted to expenditures for specified purposes. Funds included in the category are: Animal Control, Public Works, Public Health, Planning, Law Library, County Parks, Community Corrections, Crime Victim Assistance, South Coast Interagency Narcotics Team Recovery (SCINT Recovery), South Coast Interagency Narcotics Team (SCINT), Mental Health, Children and Families, Economic Development, PL106-393 Title III, PL110-343 Title III, County Forest, Liquor Enforcement, Administrative Grants, County School, Local Improvement Districts, Foot Paths and Bicycle Trails, Industrial Development, Public Health-Title XIX, Mental Health-Title XIX, County Family Mediation, 911/Dispatch, County Clerk Records, Public Land Corner Preservation, Environmental Service, and the Child Support Enforcement Funds.

Component Units-Special Revenue Funds – The Coos County Library Service District and the 4-H Extension Service District are reported as special revenue funds of the County.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

Debt Service Fund – Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond and loan principal and interest. Funds included in this category are: Bonded Debt. The Bonded Debt Fund is for Coos County's outstanding bond issues. The General Obligation Bond Series 1994 were issued to upgrade waste disposal facilities. The bonds were refinanced as of June 14, 2003; and have been paid in full.

On July 1, 2003, the County issued bonds for the local share of the natural gas pipeline project. Coos County voters passed a bond measure in 1999 authorizing an amount not to exceed \$27 million. Prior to the sale, Coos County received a bond rating from Moody's Investors Services of A3. The total of the general obligation bonds sold was \$17,760 (including issuance costs). The bonds were taxable and sold for an interest cost of 4.56%.

On April 12, 2005, the County issued \$9,240 of Series 2005 taxable general obligation bonds. The proceeds are being used to finance the completion of the costs of designing, acquiring, constructing and equipping a natural gas pipeline from Roseburg, Oregon to Coos Bay/North Bend, Oregon. The interest rates on the bonds range from 3.84 – 5.09 percent. The Bonds are not subject to optional redemption prior to their stated maturities; however, the 2020 Term Bond and the 2025 Term Bond are subject to mandatory redemption.

Bonded Indebtedness

in thousands

General Obligation Debt Capacity	June 30, 2010		June 30, 2011	
Taxable Real Market Value	\$	7,142,513	\$	6,420,316
General Obligation Bond Debt Limitation (2% of Real Market Value)		142,850		128,406
Less: Outstanding debt subject to limit		20,645		19,525
Less: Assets in debt service available for principal payments		(1,120)		(1,160)
		19,525		18,365
Remaining Legal General Obligation Debt Capacity	\$	123,325	\$	110,041
Percent of Capacity Issued		13.7%		14.3%

Under Oregon Revised Statute (ORS) 287A.100 the aggregate amount of general obligation bonded indebtedness of the County is limited to two percent of the real market value of all taxable property in the County, computed in accordance with ORS 308.207. Additional information on the County's bonded debt can be found in the Notes to the Financial Statements.

Proprietary Funds

Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its County Fair fund, Waste Disposal fund, Waste Disposal Reserve fund and Gas Pipeline fund, which are financed primarily by admission charges, waste disposal fees, bond sales and intergovernmental revenues.

Component Unit-Enterprise Funds – The Coos County Area Transit Service District is reported as an enterprise fund of the County.

The proprietary fund financial statements provide separate information for business-type funds. Individual fund data for the funds is provided in the form of *combining statements* elsewhere in this report.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

Fiduciary Funds

Trust and Agency Funds – These funds account for resources received and held by the county in a fiduciary capacity or as an agent for other governments and other funds. Fiduciary funds are *not* reflected in the government-wide statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found immediately following the basic financial statements of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* referred to earlier in connection with non-major governmental funds and other schedules and information that are required by the State of Oregon. This information can be found in the supplementary statements section of this report.

Government-wide Financial Analysis (*dollars in thousands*)

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$152,154 at the close of the most recent fiscal year. The County's investment in capital assets (land, construction in progress, buildings, improvements, machinery and equipment, bridges and infrastructure), less any related debt to acquire those assets is approximately 76.4% of total net assets. The County uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Coos County's Net Assets
in thousands

	Governmental Activities		Business-type Activities		Total		Comparison	
	2011	2010	2011	2010	2011	2010	Difference	
Current and other assets	\$ 41,238	\$ 41,875	\$ 13,116	\$ 13,648	\$ 54,354	\$ 55,523	\$ (1,169)	-2.11%
Capital assets	85,640	85,773	52,019	52,473	137,659	138,246	(587)	-0.42%
Total assets	126,878	127,648	65,135	66,121	192,013	193,769	(1,756)	-0.91%
Long-term liabilities	1,169	1,139	27,842	28,572	29,011	29,711	(700)	-2.36%
Other liabilities	9,324	10,210	1,525	1,500	10,849	11,710	(861)	-7.35%
Total liabilities	10,493	11,349	29,367	30,072	39,860	41,421	(1,561)	-3.77%
Net assets:								
Invested in capital assets	83,767	85,090	32,491	32,094	116,258	117,184	(926)	-0.79%
Restricted	7,346	1,826	-	-	7,346	1,826	5,520	302.30%
Unrestricted	25,272	29,384	3,278	3,954	28,549	33,338	(4,789)	-14.36%
Total net assets	\$ 116,385	\$ 116,299	\$ 35,769	\$ 36,049	\$ 152,154	\$ 152,348	\$ (194)	-0.13%

Changes in Net Assets

The County's balance of *unrestricted net assets* \$28,549 may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County is able to report positive balances in almost all categories of net assets. The government as a whole as well as its separate governmental activities all reported a positive balance. The Waste Disposal Operating fund, a proprietary fund, reported a negative balance due to closure/post closure liabilities. The County reported positive balances in all other categories for the prior fiscal year.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

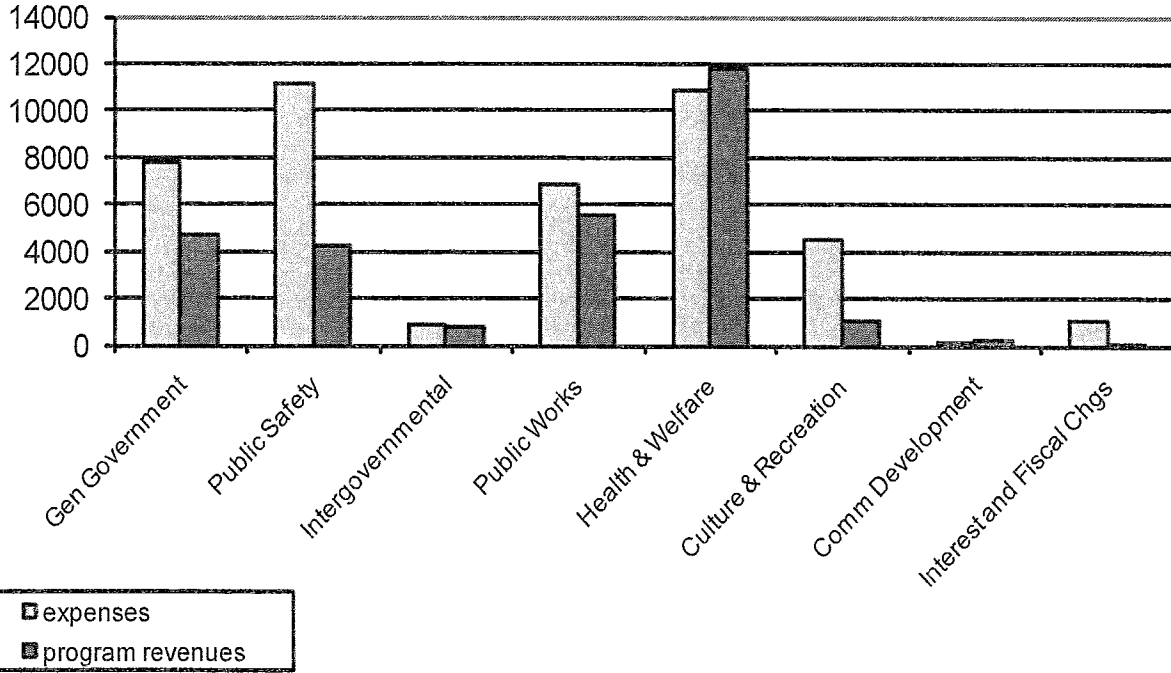
Coos County's overall net asset balance had relatively minor changes; the ending balance is a (\$194) decrease or (.13%) over last fiscal year, there was a slight increase within governmental activities; the decrease was within business type activities. The overall net asset balance increased within governmental activities by \$86 or .07%.

Coos County's Changes in Net Assets
in thousands

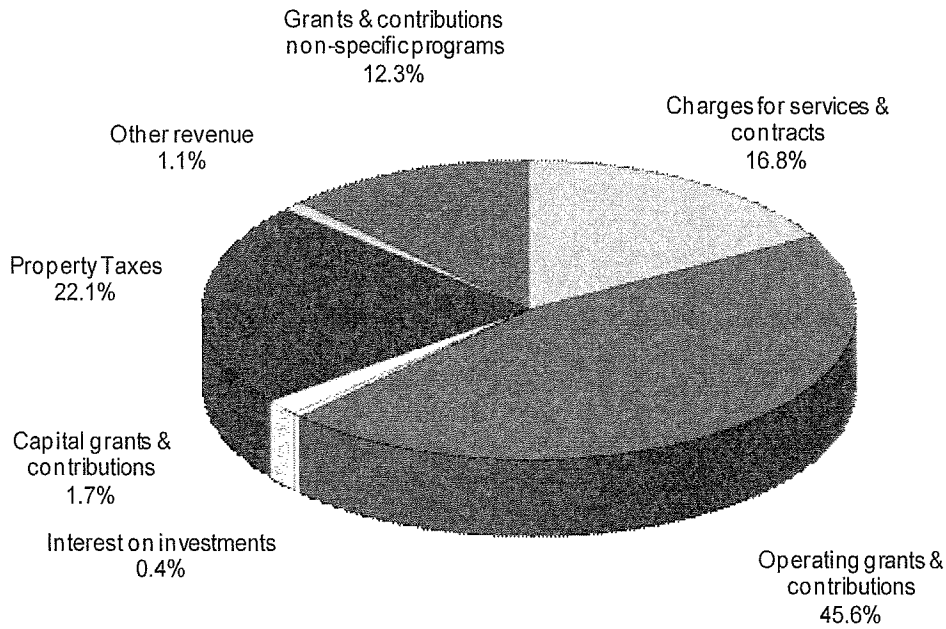
	Governmental		Business-Type		Total		Comparison	
	Activities		Activities				Difference	
	2011	2010	2011	2010	2011	2010		
REVENUE:								
Program revenues:								
Charges for services & contracts	\$ 7,462	\$ 5,683	\$ 2,745	\$ 2,813	\$ 10,207	\$ 8,496	\$ 1,711	20.14%
Operating grants & contributions	20,313	18,821	776	1,092	21,089	19,913	1,176	5.91%
Capital grants & contributions	758	691	136	-	894	691	203	29.38%
General revenues:								
Property Taxes	9,849	9,806	-	-	9,849	9,806	43	0.44%
Grants & contributions not restricted								
to specific programs	5,495	5,085	-	-	5,495	5,085	410	8.06%
Interest on investments	194	268	65	89	259	357	(98)	-27.45%
Other revenue	478	654	(260)	127	218	781	(563)	-72.09%
Total revenue	44,549	41,008	3,462	4,121	48,011	45,129	2,882	6.39%
EXPENDITURES:								
Current:								
General Government	7,782	7,408	-	-	7,782	7,408	374	5.05%
Public Safety	11,140	10,730	-	-	11,140	10,730	410	3.82%
Public Works	6,821	6,309	1,523	1,423	8,344	7,732	612	7.92%
Health & Welfare	10,871	10,667	-	-	10,871	10,667	204	1.91%
Culture & Recreation	4,550	4,381	351	398	4,901	4,779	122	2.55%
Conservation	-	-	-	-	-	-	-	-
Community Development	95	359	-	-	95	359	(264)	-73.54%
Intergovernmental	841	644	-	-	841	644	197	
Sanitation			2,328	2,638	2,328	2,638	(310)	-11.75%
Transportation			875	707	875	707	168	23.76%
Debt Service	1,027	1,078			1,027	1,078	(51)	-4.73%
Total expenditures	43,127	41,576	5,077	5,166	48,204	46,742	1,462	3.13%
Change in net assets before transfers	1,422	(568)	(1,617)	(1,045)	(194)	(1,613)	1,419	-87.97%
Transfers	(1,337)	(1,175)	1,337	1,175	-	-	-	
Change in net assets	85	(1,743)	(280)	130	(194)	(1,613)	1,419	-87.97%
Net assets beginning	116,299	118,042	36,049	35,919	152,348	153,961	(1,613)	
Net assets ending	\$ 116,385	\$ 116,299	\$ 35,769	\$ 36,049	\$ 152,154	\$ 152,348	\$ (194)	-0.13%

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2011

Expenses and Program Revenues - Governmental Activities

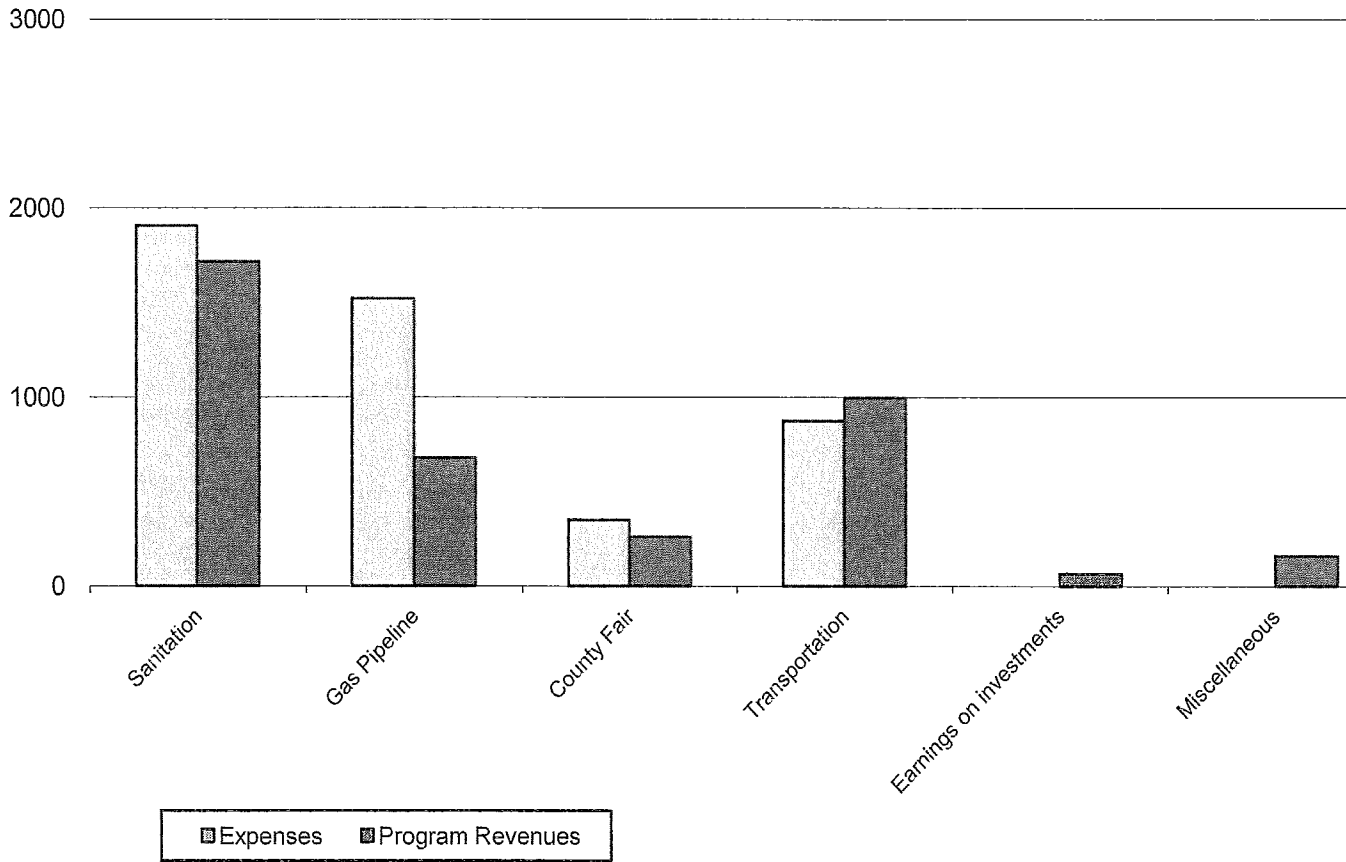


Revenues by Source - Governmental Activities

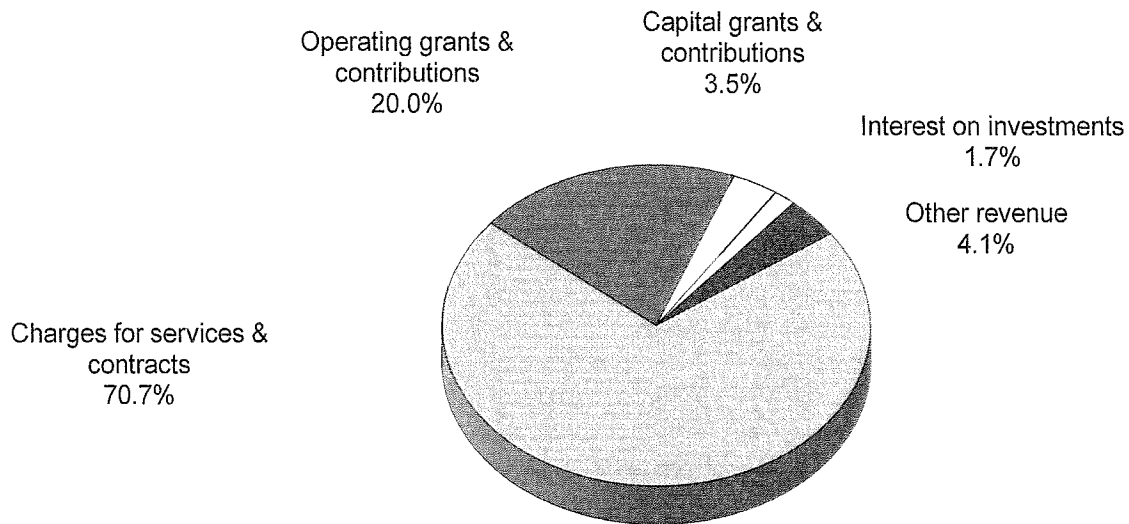


**COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011**

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

Capital Assets and Debt Administration

Total capital debt, excluding general obligation bonds, decreased from \$688 to \$453.

Bonded Debt. At the end of the current fiscal year, Coos County had total bonded debt outstanding of \$19,525. This entire amount is debt backed by the full faith and credit of the government through assessment to property owners.

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounted to \$135,983 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, improvements other than buildings, equipment, and infrastructure.

COOS COUNTY'S CAPITAL ASSETS

	Governmental	Business-type	
	Activities	Activities	Total
Land	\$ 5,098,237	\$ 708,291	\$ 5,806,528
Construction in progress	976,351	-	976,351
Buildings and building improvements	20,024,216	2,518,203	22,542,419
Infrastructure	99,418,997	52,308,340	151,727,337
Machinery and equipment	16,538,373	11,029,850	27,568,223
Improvements other than buildings	2,619,096	2,531,938	5,151,034
	\$ 144,675,271	\$ 69,096,622	\$ 213,771,894

Major capital asset events during the current fiscal year by Coos County included the following:

The unincorporated community of Charleston will soon have new streets and sidewalks at a cost of over \$1.2 million, thanks to a grant from the Oregon Department of Transportation. The project is being managed by the Port of Coos Bay in conjunction with ODOT, and Coos County; it aims to improve Boat Basin Drive by adding a sidewalk, from the highway out to the Oregon Institute of Marine Biology (OIMB) buildings, along with vegetation and street lights. Currently, the busy street has no pedestrian amenities and has a drainage problem. The drainage project will remove standing water from the roadway and adjust the flow of storm water into the estuary to improve water quality in the marina. Additionally there will be some enhancements to attract tourists and increase the number of people walking along Boat Basin Drive.

Coos County, on behalf of Oregon Coast Community Action (ORCCA), has received a Community Development Block Grant from the Oregon Infrastructure Authority to build a new Central Food Warehouse in Coos Bay. The Food Warehouse project is budgeted for \$1,612, with \$800 from the Block Grant and matched with \$812 from USDA, foundations and other local agencies. ORCCA is a non-profit corporation with programs to feed, house, warm, and educate vulnerable children and families on the South Coast.

Beginning in August 2010, Coos County began certifying assessments for several road local improvement districts at a total cost of \$374. Local landowners had petitioned the County Board to form local improvement districts to finance road improvements on local access roads that were not on the County's road maintenance list. The affected landowners were notified and public meetings were held. The districts were formed to allow property owners the ability to finance road improvements by spreading the cost over ten years via special assessments. Additional paving of driveways was provided in some cases to property owners at an additional cost. Districts have been formed for improvements to Wallace/Shell/Caraway Lane and Stage/McFarland Road. New districts are in the process for Auction Barn Lane, Ridge Road and Bayway/Mallard.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

The County has now installed new assessment/tax software to replace the 25 year old system; this upgrade will result in considerable employee time savings and provides our customers with improved statements and accounting. We also have an updated website and will have the option of producing corrected statements and copies of prior year tax statements to our customers in future years. Work continues to insure all tax and assessment data converted successfully and employee training and development continues.



The Riley Ranch Park construction is ongoing. The Riley Ranch access bridge has been installed and the access trail will be completed and open for use in March of 2012. The campground currently has 95 campsites available, 53 of those sites have electricity and water. Park staff will be installing utilities to the remaining 42 sites and will have them open by summer 2012. There are 2 cozy cabins available for rent and new restroom/shower facility #1 is now open with a second one to be constructed by summer 2012. The park will eventually contain 95 RV sites and 75 primitive campsites, as well as 6 cabins and 3 flush restrooms with showers. Butterfield Lake borders the northern part of the campground and provides fishing for both campers and day-users. The lake is on ODF&W's stocking program and will be receiving trout several times each year. The new access road is complete and provides access for not only the stocking trucks but a launch area for non motorized boats and watercraft. Other activities planned at Riley include an ATV training center and equestrian riding and hiking trails, a motocross track for adults and expert riders is also being constructed along with a youth riding area which should be available for riding this summer. Three park hosts are on site during the summer months with one host on site year round. A caretaker residence is supplied for our full time on site caretakers. A shop and law enforcement building along with an additional storage building have been completed to provide storage and other amenities for local law enforcement officers, their training, and swift response time to accidents or other issues in the Dunes area of Coos County.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

Budgetary Highlights

The County budgets all funds (except fiduciary funds) in compliance with Oregon Budget law. Differences between the original budget and the final amended budget were relatively minor and can be briefly summarized as follows:

Minor transfers of appropriations between line items within funds

All of the budget changes were done by resolution or a supplemental budget as required by Oregon budget law.

Economic Factors and Next Year's Budgets

- ◆ The General Fund is the chief operating fund of Coos County. The County will continue to have to adjust the amount of spending available in future fiscal year budgets. Program services will have to be adjusted or eliminated to balance the budget. No taxes can be increased, other than the allowable 3 percent increase on taxable property value allowed by state law. The General Fund budgeted a beginning fund balance of \$6,470. The County placed \$2,257 in an operating contingency for 2011-2012.
- ◆ The General Fund's proposed expenditures total \$20,899, with resources other than taxes of \$16,639. The amount budgeted for current year taxes is \$4,256, based upon our full tax rate authority of \$1.0799 per thousand. All but \$1,483 goes to pay for the assessment/taxation process for all property taxing districts such as schools, cities, ports, and other districts.
- ◆ Coos County created the County Forest Fund in 1999 to serve as a revenue stabilization fund. All receipts from the sale of timber and/or forest related products are deposited into the fund each year. In previous budget cycles a 5-year rolling average of the receipts into the fund were appropriated into the General Fund. Annual transfers were calculated as the total receipts for the previous five years, divided by five, less the current years budgeted operating expenses. The FY 2011-2012 Forestry Department operating budget is \$559.

The Board of Commissioners chose not to offer a timber sale in calendar year 2009 due to a lack of market demand and poor stumpage prices. Timber sales were resumed in calendar years 2010 and 2011. Two additional units were pulled forward and sold in 2011 to take advantage of improved market conditions.

In order to conserve reserves for future years, no transfers to the General Fund were made in FY 2009-2010 or FY 2010-2011. \$1,303 was budgeted to be transferred from the County Forest Fund to the General Fund in FY 2011-2012. The County Forest Fund balance on June 30, 2011 was \$8,664. Anticipated future receivables due in the next three years from active timber sales as of June 30, 2011 are \$2,325.

In FY 2011-2012 the Forestry Department began gathering data to update the Forest Projection Program (FPS) which will provide current and projected age, volume, class, and type summaries for the Coos County Forest. Development of a comprehensive forest management plan is also under consideration. Additionally, a five member citizen forestry advisory committee was appointed in July 2011 to review county forest operations and advise the Board of Commissioners.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

County Forest Transfers to General Fund
(dollars in thousands)



Note: In fiscal years 2009-10 and 2010-11 no transfers were made to the General fund

- ◆ Retention of federal in-lieu of timber revenue continues to be a problem.

In October of 2008, Congress reauthorized the Secure Rural Schools and Community Self-Determination Program Act (SRS) for four additional years. Payments under the SRS are scheduled to be reduced in each of the four years the SRS is in place. The reauthorization payments are based on what the County received during FY 2006-2007. Payments to the General Fund were reduced the first year to only 90%; the second year will be 81%; the third year will be 73% and the fourth year will be 33.24% of what was received in FY2006-2007. The net payment to the General Fund in FY 2011-2012 will be \$4,250 which is \$1,154 less than the \$5,764 received in 2006-2007.

In addition the Title II and Title III appropriations have been decreasing. Title III funds are received by Coos County and placed into their own separate funds. The allowable uses of Title III funds changed with the reauthorization. New funds may only be used to carry out activities under the Firewise Communities program, to reimburse the County for emergency services on federal lands, and to develop community wildfire protection plans. Authority to initiate projects will terminate on September 30, 2011, and any funds not obligated by September 30, 2012 must be returned to the federal treasury.

In FY 2011-2012 the SRS net payment to the General Fund (Title I) will be \$1,935, Title II \$182, and Title III \$159. The Title I payment to the General Fund will be deferred and budgeted for expenditure in FY 2012-2013.

The County Road Department receives payments for the Coos Bay Wagon road lands and U.S. Forest Service. These payments continue to decline, reflecting only low margin thinning sales being offered at this time.

- ◆ The State of Oregon continues to experience serious revenue shortages and an ever increasing expense structure, making a balanced budget very difficult at best. The \$460 million cushion projected at the end of the 2011 Legislative Session is expected to be \$100 million less by the beginning of the interim short session on February 1, 2012. Further reductions in forecasted revenues at the state level are expected. Future structure changes and revenue levels from the State of Oregon regarding health care and the early learning initiative are unknown at this time. We expect to see a shrinking revenue stream with the expectation of providing a greater level of service.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

- ◆ In addition to cost control and greater efficiency, development of additional sources of revenue will continue to be a focus of the County. Items to consider could include:
 - Additional governmental and private grant and program funding
 - Lease and development of county owned mineral resources
 - Partnerships and management of federal timber resources
 - Water Credits
 - Development of Federal Health Clinics
 - Special Tax Levies
 - Economic development opportunities
 - Enhance County Park system

- ◆ Current county services and activities are either state mandated or considered essential to public safety or health. Future across the board budget cuts are not practical in that further reductions will not allow program criteria to be met, thus the inability to function.

- ◆ The Board of Commissioners has created two citizen advisory committees. The first is the Structure/Organization Committee which will consider issues concerning county administration/operations and the second is the Governance Committee formed to consider matters regarding Coos' governance structure. Input from these committees will assist the Board of Commissioners, staff, and the public in developing a long-term strategic plan for Coos County.

- ◆ The Board of Commissioners also serves as the Governing Board for the Coos County Library Service District, 4-H Extension Service District, and the Coos County Area Transit Service District, which are separate entities from Coos County. There are four funds that require the levying of taxes; the General Fund, Bonded Debt Fund, Library Service District Fund and the 4-H Extension Service District Fund.

- ◆ The Library Service District's adopted expenditures for 2011-2012 total \$3,192 with resources other than taxes of \$240.

- ◆ The 4-H Extension Service District's adopted expenditures for 2011-2012 total \$489, with resources other than taxes of \$130. The Library and 4-H Extension Service Districts both intend to certify their total permanent tax rates in 2011-2012. The Library rate is \$.7289 per thousand and the 4-H Extension rate is \$.0888 per thousand.

- ◆ All of these factors were considered in preparing the County's budgets for 2011-2012 fiscal years.

Requests for Information

This financial report is designed to provide a general overview of Coos County's finances for all those with an interest in the County's finances. For more information on the component units of Coos County please refer to each component unit's separately issued financial statements. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Coos County Treasurer's Office, 250 N Baxter, Coquille, Oregon 97423.

BASIC FINANCIAL STATEMENTS

COOS COUNTY, OREGON
STATEMENT OF NET ASSETS
June 30, 2011

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 37,671,557	\$ 12,660,131	\$ 50,331,688
Receivables:			
Intergovernmental	-	209,628	209,628
Accounts	1,841,624	212,825	2,054,449
Special assessments	68,648	-	68,648
Property taxes	1,144,090	-	1,144,090
Internal balances	(13,583)	13,583	-
Prepaid expenses	45,870	20,032	65,902
Inventories	479,978	-	479,978
Total current assets	41,238,184	13,116,199	54,354,383
Noncurrent assets:			
Temporarily restricted assets-cash	1,423,461	-	1,423,461
Unamortized bond issuance costs	-	251,857	251,857
Capital assets:			
Land	5,098,237	708,291	5,806,528
Construction in process	976,351	-	976,351
Other capital assets (net)	78,141,474	51,059,036	129,200,510
Total noncurrent assets	85,639,523	52,019,184	137,658,707
Total assets	126,877,707	65,135,383	192,013,090
LIABILITIES			
Current liabilities:			
Accounts payable	1,335,285	109,958	1,445,243
Payroll liabilities	617,056	19,632	636,688
Deferred revenue	5,495,208	49,725	5,544,933
Due to others on contract	351,159	10,000	361,159
Accrued interest payable	1,469	79,496	80,965
Current portion of long-term liabilities:			
Notes payable	215,000	-	215,000
Bonds	-	1,160,000	1,160,000
Capital leases	19,424	971	20,395
Compensated absences payable	1,289,667	95,353	1,385,020
Total current liabilities	9,324,268	1,525,135	10,849,403
Noncurrent liabilities:			
Portions due or payable after one year:			
Notes payable	215,000	-	215,000
Bonds	-	18,365,000	18,365,000
Capital leases	-	2,186	2,186
Accrued other postemployment benefits obligation	953,610	38,315	991,925
Accrued landfill closure/postclosure care costs	-	9,436,000	9,436,000
Total noncurrent liabilities	1,168,610	27,841,501	29,010,111
Total liabilities	10,492,878	29,366,636	39,859,514
NET ASSETS			
Invested in capital assets, net of related debt	83,766,638	32,491,027	116,257,665
Restricted for:			
Debt service	212,623	-	212,623
Health	2,704,143	-	2,704,143
Public safety	2,013,126	-	2,013,126
Other programs	2,416,708	-	2,416,708
Unrestricted	25,271,591	3,277,720	28,549,311
Total net assets	\$116,384,829	\$ 35,768,747	\$152,153,576

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services & Contracts	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:							
General government	\$ 7,781,945	\$ 3,515,438	\$ 936,205	\$ 294,925	\$ (3,035,377)	\$ -	\$ (3,035,377)
Public safety	11,140,217	810,015	3,455,461	-	(6,874,741)	-	(6,874,741)
Public works	6,820,776	707,501	4,446,957	420,108	(1,246,210)	-	(1,246,210)
Health and welfare	10,871,131	1,735,033	10,084,612	-	948,514	-	948,514
Community development	95,257	6,815	193,133	-	104,691	-	104,691
Culture and recreation	4,550,295	659,673	378,577	43,200	(3,468,845)	-	(3,468,845)
Intergovernmental	840,839	4,258	818,420	-	(18,161)	-	(18,161)
Interest and fiscal charges	1,026,660	23,294	-	-	(1,003,366)	-	(1,003,366)
Total governmental activities	43,127,120	7,462,027	20,313,365	758,233	(14,593,495)	-	(14,593,495)
Business-type activities:							
Sanitation	2,328,019	1,717,037	-	-	-	(610,982)	(610,982)
Gas pipeline	1,522,926	680,364	-	-	-	(842,562)	(842,562)
County fair	351,248	224,987	36,031	-	-	(90,230)	(90,230)
Transportation	875,405	122,411	739,496	135,731	-	122,233	122,233
Total business-type activities	5,077,598	2,744,799	775,527	135,731	-	(1,421,541)	(1,421,541)
Total government	\$ 48,204,718	\$ 10,206,826	\$ 21,088,892	\$ 893,964	(14,593,495)	(1,421,541)	(16,015,036)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					4,546,385	-	4,546,385
Property taxes, levied for 4-H & Extension services					370,203	-	370,203
Property taxes, levied for library services					3,036,102	-	3,036,102
Property taxes, levied for debt service					1,896,372	-	1,896,372
Foreclosed property sales					21,551	-	21,551
Grants and contributions not restricted to specific programs					5,494,663	-	5,494,663
Earnings on investments					194,310	64,612	258,922
Change in estimated post closure costs					-	(421,000)	(421,000)
Miscellaneous					536,665	160,661	697,326
Gain (loss) on disposition of capital assets					(80,368)	571	(79,797)
Total General Revenues					16,015,883	(195,156)	15,820,727
Transfers					(1,336,711)	1,336,711	-
Changes in net assets					85,677	(279,986)	(194,309)
Net assets - beginning of year					116,299,152	36,048,733	152,347,885
Net assets - ending					\$116,384,829	\$ 35,768,747	\$152,153,576

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011**

	General	Public Works	Mental Health	County Forest	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 11,070,661	\$ 4,519,381	\$ 5,731,595	\$ 8,684,791	\$ 7,665,129	\$ 37,671,557
Restricted cash	107,230	-	1,316,231	-	-	1,423,461
Receivables:						
Property taxes	514,500	-	-	-	629,590	1,144,090
Accounts	640,218	389,785	127,244	-	684,377	1,841,624
Special assessments	-	68,648	-	-	-	68,648
Due from other funds	75,797	287,981	-	-	18,442	382,220
Prepaid expenses	7,875	7,119	4,670	-	26,206	45,870
Inventories	-	479,978	-	-	-	479,978
Total assets	\$ 12,416,281	\$ 5,752,892	\$ 7,179,740	\$ 8,684,791	\$ 9,023,744	\$ 43,057,448
LIABILITIES						
Accounts payable	\$ 263,720	\$ 331,334	\$ 126,451	\$ 17,030	\$ 596,750	\$ 1,335,285
Payroll liabilities	617,056	-	-	-	-	617,056
Deferred revenue	4,726,734	68,648	-	-	1,688,373	6,483,755
Due to other funds	45,576	188,810	8,421	3,374	149,622	395,803
Due on contracts	351,159	-	-	-	-	351,159
Total liabilities	6,004,245	588,792	134,872	20,404	2,434,745	9,183,058
FUND BALANCES						
Nonspendable	7,875	487,097	4,670	-	26,206	525,848
Restricted	107,230	4,677,003	7,040,198	-	5,923,139	17,747,570
Committed	-	-	-	-	415,749	415,749
Assigned	-	-	-	8,664,387	223,905	8,888,292
Unassigned	6,296,931	-	-	-	-	6,296,931
Total fund balances	6,412,036	5,164,100	7,044,868	8,664,387	6,588,999	33,874,390
Total liabilities and fund balances	\$ 12,416,281	\$ 5,752,892	\$ 7,179,740	\$ 8,684,791	\$ 9,023,744	\$ 43,057,448

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY, OREGON
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2011

Total fund balances - governmental funds \$ 33,874,390

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets are not current financial resources in governmental funds, but are reported in the Statement of Net Assets at their net depreciable value:

Land	\$ 5,098,237	
Construction in process	976,351	
Depreciable assets	138,600,682	
Accumulated depreciation	<u>(60,459,208)</u>	
		84,216,062

The Statement of Net Assets reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds:

Deferred revenue		988,547
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All liabilities are reported in the Statement of Net Assets, however, if they are not due and payable in the current period, they are not recorded in the governmental funds:

Loans, bonds, and notes payable	(430,000)	
Accrued interest	(1,469)	
Capital leases	(19,424)	
Accrued other postemployment benefits	(953,610)	
Compensated absences	<u>(1,289,667)</u>	
		<u>(2,694,170)</u>

Total net assets - governmental activities \$ 116,384,829

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General	Public Works	Mental Health	County Forest	Other Governmental Funds	Total
Revenues:						
Property taxes	\$ 4,530,596	\$ -	\$ -	\$ -	\$ 5,524,169	\$ 10,054,765
Taxes - other	181,447	-	-	-	95,895	277,342
Intergovernmental	7,925,923	4,831,675	8,110,778	-	5,666,976	26,535,352
Licenses, fees and permits	496,796	30,819	19,671	-	2,333,391	2,880,677
Charges for services	320,752	1,339,067	145,907	1,000	503,647	2,310,373
Timber sales	-	-	-	2,644,549	-	2,644,549
Fines and forfeitures	88,767	-	-	-	324,631	413,398
Interest on investments	63,082	20,250	31,200	34,886	44,362	193,780
Other	476,048	91,451	23,282	3,230	91,762	685,773
Total revenues	14,083,411	6,313,262	8,330,838	2,683,665	14,584,833	45,996,009
Expenditures:						
General government	5,780,525	-	-	422,695	1,189,830	7,393,050
Public safety	8,029,367	-	-	-	3,029,109	11,058,476
Public works	-	4,140,714	-	-	-	4,140,714
Health and welfare	407,429	-	7,442,817	-	3,082,647	10,932,893
Community development	-	-	-	-	211,968	211,968
Culture and recreation	-	-	-	-	4,701,986	4,701,986
Intergovernmental	-	-	-	-	840,839	840,839
Capital outlay	959,839	1,763,352	-	-	8,531	2,731,722
Debt service:						
Principal	241,295	-	-	-	1,120,000	1,361,295
Interest	-	-	-	-	999,454	999,454
Total expenditures	15,418,455	5,904,066	7,442,817	422,695	15,184,364	44,372,397
Excess (deficiency) of revenues over (under) expenditures	(1,335,044)	409,196	888,021	2,260,970	(599,531)	1,623,612
Other financing sources (uses):						
Sales of capital assets	8,065	265	-	-	2,425	10,755
Special assessments	-	139,658	-	-	8,571	148,229
Transfers in	189,350	-	300,000	-	914,892	1,404,242
Transfers out	(1,014,892)	(60,000)	-	-	(429,350)	(1,504,242)
Total other financing sources (uses)	(817,477)	79,923	300,000	-	496,538	58,984
Net change in fund balances	(2,152,521)	489,119	1,188,021	2,260,970	(102,993)	1,682,596
Fund balances at beginning of year	8,564,557	4,674,981	5,856,847	6,403,417	6,691,992	32,191,794
Fund balances at end of year	\$ 6,412,036	\$ 5,164,100	\$ 7,044,868	\$ 8,664,387	\$ 6,588,999	\$ 33,874,390

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY, OREGON
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2011

Total net change in fund balances - governmental funds \$ 1,682,596

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.

Property taxes 9,403

The issuance of long-term debt and proceeds of capital leasing provides current financial resources to the governmental funds while the repayment of long-term debt and capital leases consumes the current financial resources. However, neither has any affect on the Statement of Activities.

Capital lease repayments 18,615

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount of capital purchases, dispositions and depreciation expense for the period.

Gain or loss on disposition of capital assets	(80,368)	
Expenditures for capital assets	2,258,318	
Donated capital assets	(116,711)	
Depreciation expense	(3,617,832)	
		(1,556,593)

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:

Change in interest payable	735	
Changes in compensated absences payable	(19,749)	
Change in accrued other postemployment benefits	(264,330)	
Principal payments on long-term debt	215,000	
		(68,344)

Change in net assets of governmental activities \$ 85,677

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY, OREGON
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
June 30, 2011

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,468,867	\$ 10,065,341	\$ 125,923	\$ 12,660,131
Receivable				
Intergovernmental grants	-	-	209,628	209,628
Accounts	167,767	41,670	3,388	212,825
Due from other funds	-	-	39,778	39,778
Prepays	6,640	-	13,392	20,032
Total current assets	2,643,274	10,107,011	392,109	13,142,394
Noncurrent assets:				
Unamortized bond issuance costs	-	251,857	-	251,857
Capital assets:				
Land	9,862	550,080	148,349	708,291
Other capital assets (net of accumulated depreciation)	4,310,511	45,571,075	1,177,450	51,059,036
Total noncurrent assets	4,320,373	46,373,012	1,325,799	52,019,184
Total assets	6,963,647	56,480,023	1,717,908	65,161,578
LIABILITIES				
Current liabilities:				
Accounts payable	27,542	59,635	22,781	109,958
Accrued payroll benefits	-	-	19,632	19,632
Compensated absences payable	57,995	-	37,358	95,353
Due to others on contract	-	-	10,000	10,000
Due to other funds	-	-	26,195	26,195
Accrued interest payable	-	79,496	-	79,496
Deferred revenue	-	25,000	24,725	49,725
Current portion of long-term liabilities				
Bonds	-	1,160,000	-	1,160,000
Capital lease	-	-	971	971
Total current liabilities	85,537	1,324,131	141,662	1,551,330
Noncurrent liabilities:				
Long-term liabilities (net of current portion)				
Bonds	-	18,365,000	-	18,365,000
Capital lease	-	-	2,186	2,186
Accrued other postemployment benefits obligation	33,381	-	4,934	38,315
Accrued landfill closure/post-closure care cost	9,436,000	-	-	9,436,000
Total noncurrent liabilities	9,469,381	18,365,000	7,120	27,841,501
Total liabilities	9,554,918	19,689,131	148,782	29,392,831
NET ASSETS				
Invested in capital assets, net of related debt	4,320,373	26,848,012	1,322,642	32,491,027
Unrestricted	(6,911,644)	9,942,880	246,484	3,277,720
Total net assets	\$ (2,591,271)	\$ 36,790,892	\$ 1,569,126	\$ 35,768,747

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
ENTERPRISE FUNDS
For the Year Ended June 30, 2011

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
Operating revenues:				
Waste disposal fees	\$ 1,717,037	\$ -	\$ -	\$ 1,717,037
Operational charges	-	-	347,398	347,398
Pipeline operations	-	680,364	-	680,364
Intergovernmental revenues	-	-	775,527	775,527
Miscellaneous	98,852	-	61,809	160,661
Total operating revenues	<u>1,815,889</u>	<u>680,364</u>	<u>1,184,734</u>	<u>3,680,987</u>
Operating expenses:				
Personal service	812,538	-	497,205	1,309,743
Materials and services	1,044,241	491,255	579,540	2,115,036
Depreciation	471,213	1,035,462	149,622	1,656,297
Total operating expenses	<u>2,327,992</u>	<u>1,526,717</u>	<u>1,226,367</u>	<u>5,081,076</u>
Operating income (loss)	<u>(512,103)</u>	<u>(846,353)</u>	<u>(41,633)</u>	<u>(1,400,089)</u>
Other revenues (expense)				
Sale of assets	571	-	-	571
Interest on investments	12,373	55,626	404	68,403
Capital grants	-	-	135,731	135,731
Change in estimated post closure cost	(421,000)	-	-	(421,000)
Interest expense	(27)	-	(286)	(313)
Total other revenues (expenses)	<u>(408,083)</u>	<u>55,626</u>	<u>135,849</u>	<u>(216,608)</u>
Income (loss) before transfers	<u>(920,186)</u>	<u>(790,727)</u>	<u>94,216</u>	<u>(1,616,697)</u>
Transfers from other funds (net)	<u>100,000</u>	<u>1,236,711</u>	<u>-</u>	<u>1,336,711</u>
Change in net assets	(820,186)	445,984	94,216	(279,986)
Net assets at beginning of year	<u>(1,771,085)</u>	<u>36,344,908</u>	<u>1,474,910</u>	<u>36,048,733</u>
Net assets at end of year	<u>\$ (2,591,271)</u>	<u>\$ 36,790,892</u>	<u>\$ 1,569,126</u>	<u>\$ 35,768,747</u>

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY, OREGON
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended June 30, 2011

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
Cash flows from operating activities:				
Cash received from customers and users	\$ 1,836,613	\$ 659,106	\$ 1,004,187	\$ 3,499,906
Cash paid to employees	(820,009)	-	(516,195)	(1,336,204)
Cash paid to suppliers	(1,032,837)	(446,345)	(540,289)	(2,019,471)
Net cash provided (used) by operating activities	(16,233)	212,761	(52,297)	144,231
Cash flows from noncapital financing activities:				
Due to/from other funds	(206)	(1,263)	(7,896)	(9,365)
Interfund transfers (net)	100,000	1,236,711	-	1,336,711
Net cash flows provided (used) by noncapital financing activities	99,794	1,235,448	(7,896)	1,327,346
Cash flows from capital and related financing activities:				
Principal payments on long-term debt	(1,132)	(1,120,000)	(898)	(1,122,030)
Intergovernmental grants	-	-	135,731	135,731
Interest paid	(27)	(3,792)	(286)	(4,105)
Proceeds from sale of capital assets	571	-	-	571
Capital expenditures	(345,472)	(455,151)	(150,069)	(950,692)
Net cash (used) by capital and related financing activities	(346,060)	(1,578,943)	(15,522)	(1,940,525)
Cash flows from investing activities:				
Interest received	12,373	55,626	404	68,403
Net increase (decrease) in cash and cash equivalents	(250,126)	(75,108)	(75,311)	(400,545)
Cash and cash equivalents at beginning of year, (including restricted cash of \$2,495,299)	2,718,993	10,140,449	201,234	13,060,676
Cash and cash equivalents at end of year	<u>\$ 2,468,867</u>	<u>\$ 10,065,341</u>	<u>\$ 125,923</u>	<u>\$ 12,660,131</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	\$ (512,103)	\$ (846,353)	\$ (41,633)	\$ (1,400,089)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	471,213	1,035,462	149,622	1,656,297
Change in assets and liabilities:				
Accounts receivable	20,724	(21,258)	(149,899)	(150,433)
Prepays	(1,029)	19,822	3,346	22,139
Accounts payable	3,464	25,088	35,064	63,616
OPEB liability	8,969	-	841	9,810
Compensated absences payable	(7,471)	-	(18,990)	(26,461)
Deferred revenue	-	-	(30,648)	(30,648)
Net cash provided (used) by operating activities	<u>\$ (16,233)</u>	<u>\$ 212,761</u>	<u>\$ (52,297)</u>	<u>\$ 144,231</u>

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY, OREGON
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2011

ASSETS	<u>Total Agency Funds</u>
Cash and cash equivalents	\$ 3,237,786
Receivables:	
Contracts	2,157
Property/Taxes	<u>5,303,139</u>
Total assets	<u>\$ 8,543,082</u>
 LIABILITIES	
Due to other agencies and taxing districts	<u>\$ 8,543,082</u>

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Coos County (the County) operates under Oregon Revised Statutes (ORS) Title 20. Control of the County is vested in its Board of Commissioners, which are elected to office by voters within the County. Other elected officials of the County whose general duties and responsibilities are covered by various ORS chapters include the Assessor, Clerk, District Attorney, Sheriff, Surveyor, and Treasurer.

The basic financial statements include all financial activities, organizations and functions for which the Board is responsible for financial accountability, based on criteria established by the Governmental Accounting Standards Board. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Therefore, although legally separate entities, component units are, in substance, part of the primary government's operations and data from these units are included in the financial statements of the primary government. Additionally, if the governing body of the component unit is substantially the same as that of the primary government (the County) and the management of the primary government has operational responsibility for the component unit, the component unit's financial data is to be blended with the primary government's financial data.

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. Based on application of the aforementioned criteria established by the Governmental Accounting Standards Board (GASB), the County has three component units, Coos County Library Service District, the Coos County 4-H & Extension Service District and the Coos County Area Transit Service District.

Coos County Library Service District and the 4-H & Extension Service District - The Districts serve all citizens of the county and are governed by the County's Board of Commissioners. The Board approves the Districts' budgets, levies taxes, and approves contracts with all cities and universities receiving County support payments. The Districts are reported as special revenue funds within the County's financial statements using blended method of presentation. Financial statements for the Districts may be obtained from the Coos County Clerk.

Coos County Area Transit Service District - The District serves all citizens of the County and is governed by the County's Board of Commissioners. The Board approves the District's budgets and approves contracts. The District is reported as a business-type fund within the County's financial statements using blended method of presentation. Financial statements for the District may be obtained from the Coos County Clerk.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-wide Statements: The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The government-wide statements are the Statement of Net Assets and the Statement of Activities. They display information about the primary government (the County) and its component units.

These statements include the financial activities of the overall government, except for fiduciary activities. Interfund activity such as loans and transfers are eliminated to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County.

Governmental activities – The County's general government activities are reported in this category, including general government, public safety, public works, health and welfare, conservation, community development, culture and recreation and intergovernmental. Governmental activities generally are financed through taxes, intergovernmental revenue, and other nonexchange transactions.

Business-type activities – The County's business-type activities include operating a waste disposal, natural gas pipeline, County fair and transportation service district. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: Fund financial statements report detailed information about the County. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The various funds of the County are grouped into the categories governmental, proprietary and fiduciary.

Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary funds financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activities of the funds. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investments earnings, result from nonexchange transaction or ancillary activities.

The County reports the following major governmental funds:

General Fund – This is the County’s primary operating fund. It accounts for the financial resources of the County that are not accounted for in any other fund. Principal sources of revenue are Oregon and California land grant proceeds, state and federal revenues, property taxes, licenses and permits, charges for services, and interest. Primary expenditures are for general administration, public safety, community services and health services.

Public Works Fund – The fund accounts for the general operations of the Road Department. Primary revenue resources include federal forest fees, motor vehicle fees and interest allocation. Expenditures are for the construction and maintenance of roads and bridges.

Mental Health Fund – This fund accounts for the County’s mental health operations. Primary revenue sources include State mental health grants and contracts.

County Forest Fund – This fund accounts for the management of the County’s forest. Primary source of revenue is from the sale of forest products. Expenditures consist of forestry management and transfers to the General Fund.

The County reports the following major enterprise funds:

Waste Disposal Fund – This fund accounts for the operations, maintenance, development, and closure/post closure care of various disposal sites. The fund’s primary revenue source is waste disposal fees.

Gas Pipeline Fund – This fund accounts for the construction and operations of a natural gas pipeline from Roseburg to the Coos Bay-North Bend Area. The fund’s primary revenue source is from lottery bonds funds and operational fees.

The County reports the following fiduciary fund types:

Agency Funds – These funds account for monies held by the County in a fiduciary capacity or as an agent for other governments and other funds.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grant, categorical block grant, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County’s policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grant, and then by general revenues.

C. Assets, Liability, and Equity

1. Cash and Cash Equivalents

The cash and cash equivalents reported on the balance sheets include cash on hand, demand deposits, cash with fiscal agents and amounts in investment pools that have the general characteristics of demand deposit accounts with highly liquid debt instruments purchased with a maturity of three months or less. The State of Oregon authorizes municipalities to invest in general obligations of the United States and its agencies, certain debt of Oregon municipalities, savings accounts, certificates of deposit, bankers’ acceptances, the Oregon State Treasurers Investment Pool and certain highly rated commercial paper. Investments are recorded at fair value. All other investments are pooled in order to maximize interest rates. Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund.

For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments (including restricted cash) with maturity of three months or less when purchased to be cash equivalents.

Investments are stated at amortized cost, which approximates fair value.

2. *Receivables and Payables*

All receivables are reported at their gross value. There is no provision for uncollectible amounts. The management of Coos County believes all receivables are collectible with no material uncollectible amounts.

Property taxes receivable for the governmental fund types which have been collected within 60 days subsequent to year end are considered measurable and available and are recognized as revenue. All other property taxes receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue on the budgetary basis. Property taxes are levied and attached as an enforceable lien on property as of July 1. Taxes are payable in three installments on November 15, February 15, and May 15. All property tax receivables are due from property owners within the County and are billed and collected by Coos County, Oregon and turned over to the taxing districts within the County.

Assessments receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue.

Receivables of the proprietary fund types are recorded as revenue earned, including services earned but not billed.

Receivables for federal and state grants, and state, county, and local shared revenue are recorded as revenue in all fund types as earned. The receivables for state, county, and local shared revenue are recorded in accounts receivable.

Investment earnings (e.g., accrued interest receivable) are recorded as revenue in all fund types as interest income.

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available expendable financial resources.

3. *Inventories*

Materials and supplies inventories are used for road and equipment repairs and are carried in the Public Works Fund. Except for aggregate produced by the County, which is valued at a cost, which is different from the cost that would be derived using a method that is in accordance with generally accepted accounting principles, inventories are valued at actual cost and recorded with the Purchase Method. Inventories are shown on the balance sheet as an asset and a reservation of fund balance, which indicates that they do not constitute available expendable resources although they are a component of net current assets.

4. *Restricted Assets*

Certain resources are set aside for repayment of debt and are classified as restricted assets on the Statement of Net Assets because their use is limited by outside parties. Restricted amounts may include resources set aside for specific purposes including making principal and interest payments on bonds and notes payable, and post-closure costs.

5. *Capital Assets*

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The County maintains a capitalization threshold of \$5,000 and an initial estimated useful life extending beyond a single reporting period. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during construction is not capitalized.

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. For governmental activities these costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide Statement of Net Assets and in the respective funds.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Capital assets are depreciated using straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Waste disposal plant	5-40
Buildings and improvements	20-60
Infrastructure	10-40
Machinery and equipment	5-15
Vehicles and other mobile equipment	2-20

6. *Compensated Absences*

The County's policy is for employees to accumulate up to twice their annual accrual rate of vacation leave. Sick leave may be accumulated and is payable upon termination at 25% of the accrued hours, up to a maximum of 240 hours paid. Compensatory time-off may be accrued in lieu of overtime pay, limited to 40 hours.

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual and sick leave balances. All unused vacation leave and twenty-five percent of unused sick leave vests with employees and is payable upon termination of employment.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as the result of employee resignations and retirements. The governmental funds typically used in prior years to liquidate the liability for compensated absences are any of the funds with payroll, which include: General Fund, Special Revenue Funds and the Enterprise Funds.

7. *Deferred Revenue*

The County reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The government-wide financial statements report deferred revenue only for the amounts that have been received, but not yet earned.

8. *Long-term Obligations*

In the government-wide financial statements and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts as well as issuance costs are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as issuance costs during the current period. Debt proceeds, premiums and discounts are reported as other financing sources/uses, while issuance costs are reported as debt service expenditures.

9. *Interfund Transactions*

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

10. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. *Fund Equity*

The County has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

As a result, in the fund financial statements, fund balances are now classified as follows:

Nonspendable—Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the local, state or federal laws, or externally imposed conditions by grantors or creditors or enabling legislation.

Committed—Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. These amounts can not be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

Assigned — Amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. Intent must be expressed by the Board of Commissioners or their authorized designee.

Unassigned—All amounts not included in other classifications.

The amounts in the various categories of fund balance are included in the governmental funds balance sheet. As discussed in Note 1 B.2 restricted funds are used first as appropriate. Decreases to the remaining fund balance categories first reduce committed fund balance, followed by assigned fund balance, then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

12. *Net Assets*

Net assets represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Except for its Trust and Agency Funds, the County is required by State law to budget all funds. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. The annual budget for proprietary funds is adopted on a basis not consistent with accounting principles generally accepted in the United States of America to comply with Oregon Local Budget Law. Proprietary Funds are budgeted on a working capital non-GAAP basis. The County defines working capital as current assets less current liabilities excluding current portions of noncurrent liabilities. All annual appropriations lapse at fiscal year end.

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The Board of Commissioners, on or before June 30 of each year, authorizes appropriations for each fund, which sets the level by which expenditures cannot exceed appropriations. The level of control for the General Fund, Public Works and the Mental Health Special Revenue Fund is by department, while the level of control in all other Special Revenue Funds, Debt Service and Proprietary Funds is by total personal services, materials and services, support of schools, capital outlay, debt service and other expenditures. The budget document contains more specific, detailed information for the aforementioned expenditure categories.

Original appropriations may be increased through resolutions by transferring amounts between appropriations categories or between funds. A supplemental budget is needed to increase appropriations when appropriations transfers are unauthorized. Unexpected resources and certain other changes may be made through use of a supplemental budget. The County had numerous appropriation transfers between levels of control during the year ended June 30, 2011 and the budgets are reported as originally adopted or as amended by the Board of Commissioners. Management may reassign resources within functions without seeking approval of the Board.

B. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations for the fiscal year ended June 30, 2011 in the following amounts:

Child Support Enforcement Fund	
Transfers out	<u>\$ 3,134</u>

Deficit net assets - The Waste Disposal Fund ended the year with deficit net asset balance of (\$2,591,271) Management expects this deficit balance to be reduced in future years by an increase in revenues and transfers into the fund in excess of total expenditures.

C. Investment Limitations

With the consent of the governing body, local governments may place in the aggregate up to \$43,889,508 of its funds in the State of Oregon Local Government Investment Pool (Pool). The limitation is adjusted annually by the Consumer Price Index for All Urban Consumers of the Portland, Oregon Standard Metropolitan Statistical Area. The County complied with the limitations as set out in Oregon Revised Statutes 294.810 during fiscal year 2010-11.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County maintains a cash management pool for its cash and cash equivalents in which each fund participates. Interest earnings are distributed quarterly based on average daily balances.

Deposits - The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the County at June 30, 2011. If bank deposits at year end are not entirely insured or collateralized with securities held by the County or by its agent in the County's name, the County must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require the depository institution to participate in the Public Funds Collateralization Program. The Public Funds Collateralization Pool is a multiple financial institution collateral pool administered by the Oregon State Treasurer's Office.

For the fiscal year ended June 30, 2011, the carrying amounts of the County's deposits in various financial institutions were \$3,892,271 and the bank balance was \$4,747,535. All deposits are held in the name of the County. Of the bank balance, \$566,601 was insured by the Federal Depository Insurance Corporation and \$4,180,934 was covered under the Public Funds Collateralization Program.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The County's formal deposit policy for custodial credit risk is to deposit funds with qualified institutions. A qualified institution is defined by County policy as including approved security broker/dealers maintaining minimum net capital of \$10,000,000 and having a history of at least 10 years of operation. These may include "primary" dealers or regional dealers that qualify under the Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third party custodian bank securities having a value of 10 percent, 25 percent or 110 percent of public funds on deposit depending primarily on the capitalization level of the depository bank. The \$4,180,934 in County deposits covered by the state collateral pool is not exposed to custodial credit risk because although the collateral is considered to be held by a third party custodian bank and it is held in the County's name.

Investments - The purpose of the County's investment policy is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment related activities. The County has delegated investment responsibilities to the County Treasurer, who is primarily responsible for implementing the investment policy.

At June 30, 2011, the County had invested \$41,471,843 with the Oregon Short-Term Fund (OSTF), which is a cash and investment pool available for use by all state funds and local governments and is maintained by the State Treasurer. The Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to eligible participants, including any municipality, political subdivision, or public corporation of the state. Currently, there are more than 1,500 participants in the Pool. Local government pooled assets are reported as an Investment Trust Fund in Oregon's Comprehensive Annual Financial Report. The Oregon Short-Term Fund Board, established by the Oregon Legislature, advises the Oregon Investment Council and the Oregon State Treasury in the management and investments of the LGIP.

The State of Oregon Local Government Investment Pool (LGIP or Pool) is unrated and is not registered with the U.S. Securities and Exchange Commission as an investment company. Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Funds Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2011 was unqualified.

Credit Risk. Credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The State of Oregon LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer of the Pool and it is responsible for all funds in the Pool. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Funds Board, which establish diversification percentages and specify the types and maturities of investments.

State statutes authorize the County to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the State Treasurer's investment pool, among others. The County has no formal investment policy that further restricts its investment choices.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund Board manages this risk by limiting the maturity of the investments held by the fund. The County does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Concentration of Credit Risk. The County is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent five percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The following schedule provides this information.

Investment Detail

Fair Value of Investments, June 30, 2011

Investment Type	Maturities	Concentration Percentage of Portfolio	Fair Value
Local Government Investment Pool	1 day	83.8%	\$ 41,471,843
FHLB Discount Note	4 months	6.1%	2,998,650
FNMA Discount Note	4 months	10.1%	4,997,909
		<u>100.0%</u>	<u>\$ 49,468,402</u>

A reconciliation cash and investments as shown on the Statement of Net Assets and Balance Sheet is as follows:

<u>Deposits and Investments:</u>	
Carrying amount of deposits	\$ 3,892,271
Carrying amount of investments	50,891,863
Cash on hand	24,615
Deposit in transit	<u>184,186</u>
Total deposits and investments	<u>\$ 54,992,935</u>
<u>Governmental Activities:</u>	
General Fund	\$ 11,177,891
Public Works Fund	4,519,381
Mental Health Fund	7,047,826
County Forest Fund	8,684,791
Governmental nonmajor funds in aggregate	<u>7,665,129</u>
	<u>39,095,018</u>
<u>Business-Type Activities:</u>	
Waste Disposal Fund	2,468,867
Gas Pipeline Fund	10,065,341
Business-type non-major funds in aggregate	<u>125,923</u>
	<u>12,660,131</u>
<u>Agency Fund:</u>	
Deposits and investments	<u>3,237,786</u>
Total cash and cash equivalents	<u>\$ 54,992,935</u>

B. Restricted Cash

Oregon Health Plan/Jefferson Behavioral Health - An intergovernmental organization created by the Counties of Coos, Curry, Douglas, Jackson, Josephine, and Klamath for the purpose of administering and providing mental health benefits under the Oregon Health Plan for enrollees residing in the six participating counties. Jefferson Behavioral Health holds amounts on deposit for the purpose of administering and providing mental health benefits under the Oregon Health Plan. The funds held in trust at June 30, 2011 were \$1,316,231.

County of Oregon and California Land Grant Counties, (O & C) - An endowment fund for the purpose of financing the cost of services, projects, and activities designed to protect, preserve, and enhance the County's interest in the O & C lands and O & C revenues. Earnings on the money in the endowment fund are transferred to the Association. Upon termination of the endowment fund, the balance will be transferred to the General Fund of the County. The current agreement expires on November 1, 2012. The funds held in endowment at June 30, 2011 were \$107,230.

At fiscal year end, the County held the following amounts in restricted cash.

	<u>Governmental Activities</u>		
	<u>General Fund</u>	<u>Mental Health Fund</u>	<u>Totals</u>
Totals	<u>\$ 107,230</u>	<u>\$ 1,316,231</u>	<u>\$ 1,423,461</u>

C. Property Taxes Receivable

Coos County makes all assessments of property value, and collects the taxes for all taxing districts within its boundaries. The certified tax roll for all taxing districts in Coos County totaled \$58,176,304 for the fiscal year 2010-2011. For the 2010-2011 tax year, the County's permanent tax rate is \$1.0799 per \$1,000 of assessed value for all taxable property within the County's boundaries.

Following is a summary of property tax transactions for the year ended June 30, 2011:

General Fund	Balance 6/30/2010	2010-11 Net Levy	Collections and Adjustments	Balance 6/30/2011
2010-2011	\$ -	\$ 58,176,304	\$ 54,867,586	\$ 3,308,718
2009-2010	3,587,700		1,953,069	1,634,631
2008-2009	1,781,676	-	825,877	955,799
2007-2008	799,169	-	470,994	328,175
2006-2007	289,738	-	218,012	71,726
2005-2006	59,580	-	13,101	46,479
2004-2005	28,927	-	5,369	23,558
2003-2004 and prior	87,001	-	8,858	78,143
Total	\$ 6,633,791	\$ 58,176,304	\$ 58,362,866	\$ 6,447,229

At June 30, 2011, property tax allocation for receivables between funds consisted of the following:

General Fund	\$ 514,500
Bond Debt Fund	245,164
Library Service District	342,745
4-H & Extension Service District	41,681
Subtotal	1,144,090
Trust and Agency Fund	5,303,139
	\$ 6,447,229

D. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. In addition, governmental funds report deferred revenue in connection with resources that have been received but not yet earned.

At June 30, 2011, the various components of deferred revenue consisted of the following:

<u>Fund</u>	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Governmental Activities:			
General Fund	\$ 444,733	\$ 4,282,001	\$ 4,726,734
Public Works Fund	-	68,648	68,648
Non-major Funds	543,814	1,144,559	1,688,373
Total Governmental Activities Deferred Revenue	<u>\$ 988,547</u>	<u>\$ 5,495,208</u>	<u>\$ 6,483,755</u>
Business-Type Activities:			
Gas Pipeline Fund	\$ -	\$ 25,000	\$ 25,000
Non-major Funds	-	24,725	24,725
Total Business-Type Activities Deferred Revenue	<u>\$ -</u>	<u>\$ 49,725</u>	<u>\$ 49,725</u>

E. Fund Balance

As of these financial statements, the District has adopted GASB Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

	<u>General Fund</u>	<u>Public Works Fund</u>	<u>Mental Health Fund</u>	<u>County Forest Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable:						
Inventory	\$ -	\$ 479,978	\$ -	\$ -	\$ -	\$ 479,978
Prepaid exp.	7,875	7,119	4,670	-	26,206	45,870
Restricted:						
Debt service	-	-	-	-	212,623	212,623
Forest mgmt.	107,230	-	-	-	-	107,230
Public safety	-	-	-	-	2,013,126	2,013,126
Health	-	-	7,040,198	-	1,387,912	8,428,110
Economic dev.	-	-	-	-	845,074	845,074
Public works	-	4,677,003	-	-	-	4,677,003
Other	-	-	-	-	1,464,404	1,464,404
Committed:						
Public safety	-	-	-	-	51,977	51,977
Health	-	-	-	-	186,000	186,000
Parks	-	-	-	-	163,055	163,055
Indus Dev	-	-	-	-	66,694	66,694
Assigned:						
Forest mngmt	-	-	-	8,664,387	-	8,664,387
Public safety	-	-	-	-	56,289	56,289
Planning	-	-	-	-	105,921	105,921
Other	-	-	-	-	9,718	9,718
Unassigned:	6,296,931	-	-	-	-	6,296,931
Total fund balance	<u>\$ 6,412,036</u>	<u>\$ 5,164,100</u>	<u>\$ 7,044,868</u>	<u>\$ 8,664,387</u>	<u>\$ 6,588,999</u>	<u>\$ 33,874,390</u>

F. Interfund transfers and balances due to/from other funds:

During the year, transfers were made between funds as shown below:

Fund:	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Activities:		
General Fund	\$ 189,350	\$ 1,014,892
Public Works Fund	-	60,000
Mental Health Fund	300,000	-
Non-major governmental funds	<u>914,892</u>	<u>429,350</u>
Total Governmental Activities Transfers	<u>1,404,242</u>	<u>1,504,242</u>
Business-type Activities:		
Waste Disposal Fund	<u>191,900</u>	<u>91,900</u>
Total before non-budgetary transfers	<u>1,596,142</u>	<u>1,596,142</u>
Non-budgetary transfers		
Gas Pipeline Fund	1,236,711	-
Non-major governmental funds	<u>-</u>	<u>1,236,711</u>
Total non-budgetary transfers	<u>1,236,711</u>	<u>1,236,711</u>
Total transfers	<u>\$ 2,832,853</u>	<u>\$ 2,832,853</u>

The transfers from the General Fund were routine transfers to support various activities of several nonmajor funds. The transfers into the General Fund consisted of routine transfers from the Law Library, Child Support Enforcement and Community Corrections Funds. In addition, the General Obligation Series 2003B debt is held in the Gas Pipeline Fund, a business-type activity. Debt is serviced through collection of property taxes in the Bonded Debt Fund, a non-major governmental-type activity. A \$1,120,000 non-budgetary adjustment to transfers has been made to reduce the principal outstanding in the Gas Pipeline Fund and transfer \$116,711 of capital assets from the Economic Development Fund.

At year-end, certain balances were remaining payable to and from other funds. These interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances were as follows:

Fund:	<u>Due To</u>	<u>Due From</u>
Governmental Activities:		
General Fund	\$ 75,797	\$ 45,576
Public Works Fund	287,981	188,810
Mental Health Fund	-	8,421
County Forest Fund	-	3,374
Nonmajor governmental funds	<u>18,442</u>	<u>149,622</u>
Total Governmental Activities Transfers	<u>382,220</u>	<u>395,803</u>
Business-type Activities:		
Nonmajor funds	<u>39,778</u>	<u>26,195</u>
	<u>\$ 421,998</u>	<u>\$ 421,998</u>

G. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011 were as follows:

Governmental Activities:	Balance 6/30/2010	Additions	Deletions	Transfer	Balance 6/30/2011
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,102,817	\$ 6,888	\$ (11,468)	\$ -	\$ 5,098,237
Construction in progress	896,612	469,515	(79,347)	(310,429)	976,351
Total non-depreciable capital assets	5,999,429	476,403	(90,815)	(310,429)	6,074,588
<u>Depreciable capital assets</u>					
Buildings	19,945,572	87,911	(9,267)	-	20,024,216
Improvements	2,456,481	162,615	-	-	2,619,096
Equipment & vehicles	15,808,527	779,811	(343,919)	293,954	16,538,373
Infrastructure	98,755,813	779,895	-	(116,711)	99,418,997
Total depreciable capital assets	136,966,393	1,810,232	(353,186)	177,243	138,600,682
<u>Less accumulated depreciation for:</u>					
Buildings	(7,383,064)	(380,951)	-	-	(7,764,015)
Improvements	(753,365)	(66,411)	-	-	(819,776)
Equipment & vehicles	(9,120,413)	(808,183)	335,121	16,475	(9,577,000)
Infrastructure	(39,936,325)	(2,362,287)	-	195	(42,298,417)
Total accumulated depreciation	(57,193,167)	(3,617,832)	335,121	16,670	(60,459,208)
Total depreciable capital assets (net)	79,773,226	(1,807,600)	(18,065)	193,913	78,141,474
Governmental Activities capital assets (net)	<u>\$ 85,772,655</u>	<u>\$ (1,331,197)</u>	<u>\$ (108,880)</u>	<u>\$ (116,516)</u>	<u>\$ 84,216,062</u>

Business-type activities:	Balance 06/30/10	Additions	Deletions	Transfer	Balance 06/30/11
<i>Non-depreciable capital assets:</i>					
Land	\$ 708,291	\$ -	\$ -	\$ -	\$ 708,291
<i>Depreciable capital assets</i>					
Buildings	2,510,096	8,107	-	-	2,518,203
Improvements	2,510,019	21,919	-	-	2,531,938
Equipment & vehicles	10,684,654	465,556	(136,835)	16,475	11,029,850
Infrastructure	51,853,189	338,440	-	116,711	52,308,340
Total depreciable capital assets	67,557,958	834,022	(136,835)	133,186	68,388,331
<i>Less accumulated depreciation for:</i>					
Buildings	(1,093,502)	(60,285)	-	-	(1,153,787)
Improvements	(1,399,795)	(76,606)	-	-	(1,476,401)
Equipment & vehicles	(7,692,731)	(480,010)	136,835	(16,475)	(8,052,381)
Infrastrucure	(5,607,330)	(1,039,396)	-	-	(6,646,726)
Total accumulated depreciation	(15,793,358)	(1,656,297)	136,835	(16,475)	(17,329,295)
Total depreciable capital assets (net)	51,764,600	(822,275)	-	116,711	51,059,036
Business-Type activities capital assets (net)	\$ 52,472,891	\$ (822,275)	\$ -	\$ 116,711	\$ 51,767,327

Depreciation expense was charged to functions/programs of the primary government as follows:

<i>Governmental activities:</i>	
General government	\$ 371,179
Public safety	486,202
Health & welfare	86,642
Public works	2,502,544
Culture and recreation	171,265
Total depreciation expense - governmental activities	\$ 3,617,832
<i>Business-type activities:</i>	
Sanitation	\$ 471,213
County fair	30,396
Gas pipeline	1,035,463
Transportation	119,225
Total depreciation expense - business-type activities	\$ 1,656,297

H. Capital Leases

The County has entered into various lease agreements for financing the acquisition of heavy equipment and copiers. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of capital assets leased under capital leases as of June 30, 2011:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Machinery and equipment	\$ 81,054	\$ 11,616
Less: Accumulated depreciation	<u>(24,710)</u>	<u>(6,975)</u>
Total	<u>\$ 56,344</u>	<u>\$ 4,641</u>

Total capital lease principal and interest payments during 2010-2011 were \$20,645 and \$1,960, respectively. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2011-2012	\$ 20,264	\$ 1,184
2012-2013	-	1,184
2013-2014	-	<u>1,185</u>
Total minimum lease payments	20,264	3,553
Less: amount representing interest	<u>(840)</u>	<u>(396)</u>
Present value of minimum lease payments	<u>\$ 19,424</u>	<u>\$ 3,157</u>

I. Notes Payable

During the year ended June 30, 2003, the County entered into a financing agreement with US Bank to fund an upgrade of the County's emergency communication system. The total loan was for \$2,185,000 at 4.10% interest payable over 10 years. During 2010-2011, principal and interest payments were \$215,000 and \$26,445 respectively.

Future requirements for this note payable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 215,000	\$ 17,630	\$ 232,630
2012-2013	<u>215,000</u>	<u>8,815</u>	<u>223,815</u>
	<u>\$ 430,000</u>	<u>\$ 26,445</u>	<u>\$ 456,445</u>

J. Bonds Payable

The full faith and credit of the County is pledged for all outstanding general obligation bonds, and the majority of funds necessary for the retirement of these bonds are provided by property taxes.

On July 1, 2003 the County issued \$17,760,000 of Series 2003B taxable general obligation bonds. The proceeds are being used to finance a portion of the costs of designing, acquiring, constructing and equipping a natural gas pipeline from Roseburg, Oregon to Coos Bay/North Bend, Oregon. The interest rates on the remaining bonds ranges from 3.73% to 4.08% through 2013, then rises to 4.33% through 2017, then is 4.88% until paid in full. The Bonds are not subject to optional redemption prior to their stated maturities; however, the 2017 Term Bond and the 2023 Term Bond are subject to mandatory redemption.

Future general obligation bonded debt requirements as of June 30, 2011 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 790,000	\$ 558,410	\$ 1,348,410
2012-2013	825,000	527,205	1,352,205
2013-2014	855,000	493,545	1,348,545
2014-2015	895,000	456,524	1,351,524
2015-2016	930,000	417,770	1,347,770
2016-2017	970,000	377,501	1,347,501
2017-2018	1,015,000	335,500	1,350,500
2018-2019	1,065,000	285,968	1,350,968
2019-2020	1,115,000	233,996	1,348,996
2020-2021	1,170,000	179,584	1,349,584
2021-2022	1,225,000	122,488	1,347,488
2022-2023	1,285,000	62,708	1,347,708
Total	<u>\$ 12,140,000</u>	<u>\$ 4,051,199</u>	<u>\$ 16,191,199</u>

On April 12, 2005 the County issued \$9,240,000 of Series 2005 taxable general obligation bonds. The proceeds are being used to finance the completion of the costs of designing, acquiring, constructing and equipping a natural gas pipeline from Roseburg, Oregon to Coos Bay/North Bend, Oregon. The interest rates on the remaining bonds ranges from 4.66% to 5.09% through 2015, then rises to 5.37% through 2020, then is 5.33% until paid in full. The Bonds are not subject to optional redemption prior to their stated maturities; however, the 2020 Term Bond and the 2025 Term Bond are subject to mandatory redemption.

Future general obligation bonded debt requirements as of June 30, 2011 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 370,000	\$ 395,540	\$ 765,540
2012-2013	390,000	377,595	767,595
2013-2014	410,000	358,446	768,446
2014-2015	430,000	337,782	767,782
2015-2016	450,000	315,895	765,895
2016-2017	475,000	291,730	766,730
2017-2018	500,000	266,222	766,222
2018-2019	530,000	239,372	769,372
2019-2020	555,000	210,911	765,911
2020-2021	585,000	181,108	766,108
2021-2022	620,000	148,757	768,757
2022-2023	655,000	114,471	769,471
2023-2024	690,000	78,250	768,250
2024-2025	725,000	40,093	765,093
Total	<u>\$ 7,385,000</u>	<u>\$ 3,356,172</u>	<u>\$ 10,741,172</u>

Changes in Long-Term Debt are as follows:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011	Amounts due Within one year
Governmental Fund Types					
Compensated absences	\$ 1,269,918	\$ 1,368,240	\$ 1,348,491	\$ 1,289,667	\$ 1,289,667
Obligations under capital lease	38,039	-	18,615	19,424	19,424
Notes payable	645,000	-	215,000	430,000	215,000
Total governmental fund types	\$ 1,952,957	\$ 1,368,240	\$ 1,582,106	\$ 1,739,091	\$ 1,524,091
Business-Type Funds					
Compensated absences	\$ 100,637	\$ 94,253	\$ 99,537	\$ 95,353	\$ 95,353
Obligations under capital lease	5,187	-	2,030	3,157	971
General obligation bonds	20,645,000	-	1,120,000	19,525,000	1,160,000
Total proprietary fund types	\$20,750,824	\$ 94,253	\$ 1,221,567	\$ 19,623,510	\$ 1,256,324

IV. OTHER INFORMATION

A. Employee Retirement Systems and Plans

1. Plan Description

The County is a participating employer in the Oregon Public Employees Retirement System ("OPERS"), a cost sharing multiple-employer defined benefit pension plan administered by the State of Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Oregon Revised Statutes 238 assigns the authority to establish and amend benefit provisions to the PERS Board of Trustees.

During the 2003 legislative session, the Oregon Legislative Assembly created successor plans for PERS. The Oregon Public Service Retirement Plan (ORSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the Pension Program) and a defined contribution portion (the Individual Account Program or IAP). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on the type of service (general versus police or fire).

Beginning January 1, 2004 all PERS member contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS account, but any future member contributions are deposited into the member's IAP, not into the member's PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment. Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700; by calling (503) 598-7377; or by accessing the PERS web site at <http://www.oregon.gov/PERS>.

All County employees are eligible to participate in the system after completing six months of service. PERS is a closed system; all new employees establish membership in the OPSRP system. The PERS retirement allowance, payable monthly for life, may be selected from twelve retirement benefit options. Options include survivorship benefits and lump sum refunds. The basic benefit formula is 1.67 percent of a member's final average salary multiplied by the member's number of years of service. Benefits may also be calculated under either a money match or an annuity-plus-pension computation at the employee's option. For most PERS members the money match computation will provide the greatest benefits. PERS also provides death and disability benefits.

The OPSRP pension allowance is generally 1.5 percent of an employee's final average salary times years of employment. The pension is fully paid by actuarially calculated contributions from employers; police and fire members are rated separately from general service members. Employees contribute 6.0 percent of their pay to a defined contribution account payable in full at retirement or the employee may choose to take the payment on one of four schedules; in all cases, the defined contribution portion of the benefit must be fully paid to the employee within twenty years of retirement.

2. Funding Policy

Covered employees are required by State statute to contribute 6.0 percent of their salary to both PERS and OPSRP. Employers are permitted to pay employee contributions to the Retirement Fund. The County contributes the employees' share of 6.0 percent on their behalf.

The County is required by statute to contribute actuarially computed amounts as determined by OPERS. Rates are subject to change as a result of subsequent actuarial valuations and the proportion of the system that is funded for each local government employer. Beginning in 2000, local government employers had the option of remaining individually rated or joining a local government employer's rate pool. Beginning January 1, 2002, local governments could elect to join the State and Local Government rating pool. The County made the election to join this pool effective January 1, 2002; thus becoming part of the cost-sharing multiple-employer segment of the pension plan. Beginning July 1, 2003, the County's contribution rate consisted of the group rate plus an amount required to pay the amortized unfunded liability. The current rate of annual covered payroll for Tier I and Tier II employees is 13.02 percent. The rate for OPSRP general service and police and fire employees is 11.39 percent and 14.10 percent.

3. Annual pension cost

The net pension obligation is determined in accordance with GASB Statement 27. PERS sets the rate for the County, based on the independent actuarial study that is performed every two years. This rate establishes the annual required contribution for the County. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit cost method. This actuarial valuation is the most recent available at the time of this report. The actuarial assumptions included (a) 8.0 percent investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 2.75 percent per year, (c) projected wage inflation, excluding seniority/merit raises, of 3.75 percent per year, and d) healthcare cost inflation graded from 7.0 percent in 2010 to 4.5 percent in 2029. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The County's unfunded actuarial liability is amortized as a level percentage of covered payroll from the period of valuation date to December 31, 2029.

Year Ended June 30,	Employer Contributions		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 2,822,330	100%	-
2010	\$ 2,454,361	100%	-
2011	\$ 2,456,134	100%	-

B. Other Postemployment Benefits

Plan Description. The County implemented GASB Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions* for the fiscal year ended June 30, 2009. This implementation allows the County to report its liability for other postemployment benefits consistent with newly established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected benefits for retired and active employees on the financial statements.

Negotiated Direct Health Insurance Payments

Plan Description. The OPEB for Coos County combines two separate early retirement programs. The County provides an implicit rate subsidy for retiree health insurance continuation premiums and an explicitly negotiated amount of medical premiums for two named retirees until Medicare eligibility. The County pays a specific negotiated amount of the medical premium on behalf of two named retirees until Medicare eligibility.

Funding Policy. The County will contribute a specific negotiated amount toward the monthly premium for each participant. This fund is run on the pay as you go basis. Benefits paid by the County during the year totaled \$13,848. The County has elected not to prefund the actuarially determined future cost amount of \$12,595.

Health Insurance Continuation

The County has a health insurance continuation option available for eligible retirees and their spouses and dependents until Medicare eligibility. The County is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Thus GASB 45 is applicable to the County due to the implicit rate subsidy. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements.

Funding Policy. The County collects insurance premiums from retirees each month. The County then pays health, dental and vision insurance premiums for those retirees at the blended rate for each family classification. The required contributions to the plan consist of the amount paid by retirees.

For fiscal year 2010/2011, the County contributed \$66,696 consisting of retiree payments. The County has elected not to prefund the actuarially determined future cost amount of \$979,330.

The required monthly premium rate contributions of the plan members were as follows for the year ended June 30, 2011.

	<u>Per employee</u>	<u>Per couple</u>	<u>Composite</u>
Pacific Source:			
Plan 8667	\$ 566	\$ 1,280	\$ 1,311
Plan 8968	507	1,146	1,186
OTET:			
Plan FWL	N/A	N/A	\$ 1,276
Plan GWL	N/A	N/A	1,248
Other	N/A	N/A	1,086

Applicable to both Early Retirement Programs

In the July 1, 2010 actuarial valuation, which is the most recent actuarial valuation, the projected unit credit cost method was used. Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the value of benefits expected to accrue in the current year.

The present value of benefits accrued as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded accrued liability. The unfunded accrued liability is being amortized as a level percentage of payroll, over a closed period of four years for explicit medical benefits and over an open period of 30 years for implicit medical benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years in the case of the health insurance continuation plan. For the negotiated direct health insurance payments, the amortization period is four years. The following table show the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's OPEB obligation to the plan.

	For the Fiscal Year Ending June 30, 2011
Annual required contribution	\$ 335,406
Interest on prior year net OPEB obligation	28,712
Adjustment to ARC	<u>(29,254)</u>
Annual OPEB cost	334,864
Explicit benefit payments	(46,876)
Implicit benefit payments	<u>(13,848)</u>
Increase in net OPEB obligation	274,140
Net OPEB obligation - beginning of year	<u>717,785</u>
Net OPEB obligation - end of year	<u><u>\$ 991,925</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past two fiscal years was as follows:

Fiscal Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Contribution Made	Net OPEB Obligation
6/30/2009	\$ 489,778	24%	\$ 117,643	\$ 372,135
6/30/2010	\$ 503,888	31%	\$ 158,238	\$ 345,650
6/30/2011	\$ 335,406	18%	\$ 60,724	\$ 274,682

Funded Status and Funding Progress. As of July 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits for the year ending June 30, 2011 was \$2,691,579, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$2,691,579.

Actuarial Valuation Date	Actuarial Value of Assets	AAL	UAAL	Funded Ratio	Covered Payroll	% of Covered Payroll
7/1/2008	\$ -	\$ 3,970,499	\$ 3,970,499	0.0%	\$13,105,003	30.3%
7/1/2010	\$ -	\$ 2,691,579	\$ 2,691,579	0.0%	\$13,833,290	19.5%

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial assumptions included a 4 percent discount rate for unfunded liabilities, and an annual healthcare cost trend rate of medical, prescription drugs, and vision costs of: 10.0 percent in the fiscal year 2010-11, 9.5 percent in the second year, 9.0 percent in the third year, 8.5 percent in the fourth year, then grading down from 8.5 percent to 5.0 percent over the next 7 years, and 5.0 percent thereafter.

Health cost trends affect both the projected health care costs as well as the projected health care premiums.

The payroll growth assumption is 3.0 percent, compounded annually for purposes of amortizing the unfunded AAL.

C. Landfill Closure and Post-Closure Care Costs

The County has adopted Governmental Accounting Standards Board Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs*. This statement requires municipalities to record the estimated closure and post-closure care costs of landfills over the useful life of the landfill.

State and federal laws and regulations require the County to place a final cover on its landfill sites when the landfills stop accepting waste and to perform certain maintenance and monitoring functions at these sites for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfills stop accepting waste, the County is required to report these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The following schedule shows details of landfill closure and post-closure liability:

	Landfill Closure and Post-Closure Care Liability	% of Capacity Used	Cost to be Recognized at 6/30/11	Estimated Remaining Life (Years)
Bandon disposal site	\$ 441,000	100%	\$ 441,000	-
Beaver Hill disposal site (municipal solid waste)	2,300,000	49%	1,637,000	8-9
Joe Ney disposal site (construction demolition)	8,100,000	86%	7,358,000	4-6
	<u>\$ 10,841,000</u>		<u>\$ 9,436,000</u>	

The above dollar amounts are based on the estimated cost to perform all closure and post-closure in 2010-2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. During 2010-2011, estimated landfill closure and post-closure care costs were \$421,000, based on current usage; this provision is recorded as materials and services expense.

The County is required by state and federal laws and regulations to meet certain financial assurance requirements for closure and post-closure care. The County demonstrates that it has met these financial assurance requirements through submission of a Local Government Financial Test to the Oregon Department of Environmental Quality in accordance with Oregon Administrative Rule 304-094-0140.

The County has established a reserve fund to account for their annual contributions to finance closure and post-closure care. As of June 30, 2011, the cash and investment balance in the reserve fund is \$2,373,568. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

D. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. Worker's compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year and the County has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years.

E. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

F. Commitments

At the end of the 2010-11 fiscal year, various departments within the County had several contracts outstanding:

The significant contracts are shown below:

<u>Fund</u>	<u>Description</u>	<u>Original Contract Amount</u>	<u>Outstanding Contract Amount</u>
General Fund	Assessment and tax software	\$ 190,000	\$ 129,000
	Telephone system	222,159	222,159
		<u>\$ 412,159</u>	<u>\$ 351,159</u>

G. Jointly Governed Organizations

The following organizations have County Commissioners on their respective boards: South Coast Business Development Corporation, Coos County Urban Renewal Agency, Belloni Boys Ranch, Community Action, Southwest Advisory Committee on Transportation, The Oregon Consortium, Oregon Coastal Zone Management Association, Council on Forest Trust Land, Oregon and California Counties, Enterprise Zone, CCD Business Development Corp., Jefferson Behavioral Health, and South Slough Commission. The organizations have various purposes, including local economic development and social services. The Commissioners do not have a voting majority on the organizations' boards, nor are the organizations fiscally dependent on the County.

H. Other

Funding decrease A six-year statute that authorized in-lieu timber tax payments of approximately \$6 million expired September 30, 2006. A one year extension was adopted by Congress and expired in September 2007. In October of 2008, Congress reauthorized the Secure Rural Schools and Community Self-Determination Program Act (SRS) for four additional years on a declining basis. The final payment due in the 2012-2013 budget year is expected to be less than 40% of what was received in the base year of 2006-2007.

Timber dependent counties have been working with the Oregon delegation in Congress to secure some type of funding to keep southern Oregon counties from becoming insolvent. A new O&C bill is in the works that would turn over management of the 2.3 million acre O&C forest to an Oregon trust with a board consisting of 7 people. The bill contains a mandate to log at least 400 million board feet of timber per year and would be managed under the Oregon Forest Practices Act. If this bill passes it will take several years before any funds are realized at the County level. The 2012-2013 budget will have an approximate 12-15% gap in funding and an additional 25% is expected in 2013-2014.

**REQUIRED SUPPLEMENTARY
INFORMATION**

MAJOR GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources are property taxes, federal apportionments (e.g. O&C Land Grants), state apportionments (e.g. shared liquor and cigarette tax revenues, and grant funds), service fees, licenses and permits, and investment income. The general fund accounts for the general operating expenditures of the County not recorded elsewhere.

Public Works Fund – The Public Works Fund accounts for the general operations of the County road department. Major revenue sources are from federal forest sales, motor vehicle fees, and interest allocation. Major expenditures are for road construction and maintenance, departmental personnel costs, and interfund transfers.

Mental Health Fund – The Mental Health Fund accounts for the County's mental health operations. Primary revenue sources include state mental health grants and contracts and mental health Title XIX funds.

County Forest Fund – The County Forest timber sales are the primary source of revenue in this fund. Expenditures consist of forestry management and transfers to the general fund.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 4,340,632	\$ 4,340,632	\$ 4,530,596	\$ 189,964
Taxes - other	158,000	158,000	181,447	23,447
Intergovernmental	7,379,872	7,424,847	7,925,923	501,076
Licenses, fees, and permits	509,700	509,700	496,796	(12,904)
Charges for services	368,227	368,227	320,752	(47,475)
Fines and forfeiture	74,200	74,200	88,767	14,567
Interest on investments	130,000	85,000	63,082	(21,918)
Other	788,486	788,486	476,048	(312,438)
Total revenues	13,749,117	13,749,092	14,083,411	334,319
Expenditures:				
General Government:				
Assessor	1,144,400	1,144,400	991,505	152,895
Board of Commissioners/Admin.	349,978	349,978	340,383	9,595
Board of Commissioners/Infor. Tech.	1,359,049	1,359,049	783,748	575,301
Clerk/Records	204,988	204,988	199,542	5,446
Clerk/Elections	259,330	259,330	228,324	31,006
Community Service	110,493	110,493	97,257	13,236
County Counsel	413,257	413,257	395,701	17,556
District Attorney/Prosecution	744,569	755,069	724,457	30,612
Human Resources	294,260	294,260	290,469	3,791
Maintenance	790,329	790,329	563,770	226,559
Surveyor	220,350	220,350	218,089	2,261
Treasurer and Tax	402,344	402,344	362,859	39,485
Miscellaneous nondepartmental:				
Personal services	1,765,244	1,765,244	21,511	1,743,733
Materials and services	1,582,100	1,473,440	546,101	927,339
Payment of advanced taxes	20,000	20,000	16,809	3,191
Capital outlay	1,229,004	1,229,004	959,839	269,165
Debt service	331,446	331,446	241,295	90,151
Total General Government	\$ 11,221,141	\$ 11,122,981	\$ 6,981,659	\$ 4,141,322

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (continued)
For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		
Health and Welfare:				
District Attorney/Medical Examiner	\$ 176,455	\$ 176,455	\$ 168,273	\$ 8,182
District Attorney/Support Enforcement	123,251	123,251	99,573	23,678
Veterans	143,978	143,978	139,583	4,395
Total Health and Welfare	<u>443,684</u>	<u>443,684</u>	<u>407,429</u>	<u>36,255</u>
Public Safety:				
Juvenile	1,119,413	1,119,413	1,036,840	82,573
Sheriff/Criminal	2,223,603	2,289,578	2,140,560	149,018
Sheriff/Dunes	299,164	299,164	270,304	28,860
Sheriff/Jail	4,598,621	4,605,781	4,309,187	296,594
Sheriff/Marine	283,265	283,265	272,476	10,789
Total Public Safety	<u>8,524,066</u>	<u>8,597,201</u>	<u>8,029,367</u>	<u>567,834</u>
Contingency	<u>2,256,550</u>	<u>2,256,550</u>	-	<u>2,256,550</u>
Total expenditures	<u>22,445,441</u>	<u>22,420,416</u>	<u>15,418,455</u>	<u>7,001,961</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,696,324)</u>	<u>(8,671,324)</u>	<u>(1,335,044)</u>	<u>7,336,280</u>
Other financing sources (uses)				
Sale of capital assets	-	-	8,065	8,065
Transfer in	176,216	186,216	189,350	3,134
Transfer out	(979,892)	(1,014,892)	(1,014,892)	-
Issuance of debt	500,000	500,000	-	(500,000)
Total other financing sources	<u>(303,676)</u>	<u>(328,676)</u>	<u>(817,477)</u>	<u>(488,801)</u>
Net change in fund balance	(9,000,000)	(9,000,000)	(2,152,521)	6,847,479
Fund balance at beginning of year	<u>9,000,000</u>	<u>9,000,000</u>	<u>8,564,557</u>	<u>(435,443)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,412,036</u>	<u>\$ 6,412,036</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC WORKS FUND
For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,452,782	\$ 7,452,782	\$ 4,831,675	\$ (2,621,107)
Licenses, fees, and permits	35,000	35,000	30,819	(4,181)
Charges for services	825,000	825,000	1,339,067	514,067
Interest on investments	20,000	20,000	20,250	250
Other	5,000	5,000	91,451	86,451
Total revenues	<u>8,337,782</u>	<u>8,337,782</u>	<u>6,313,262</u>	<u>(2,024,520)</u>
Expenditures:				
Public Works:				
Road Survey	71,223	71,223	59,135	12,088
Road Maintenance	3,241,675	3,241,675	2,993,855	247,820
Fleet Services	1,191,526	1,191,526	1,087,724	103,802
Capital Projects	5,883,558	5,883,558	1,763,352	4,120,206
Contingency	3,425,000	3,425,000	-	3,425,000
Total expenditures	<u>13,812,982</u>	<u>13,812,982</u>	<u>5,904,066</u>	<u>7,908,916</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,475,200)</u>	<u>(5,475,200)</u>	<u>409,196</u>	<u>5,884,396</u>
Other financing sources (uses):				
Sale of capital assets	7,000	7,000	265	(6,735)
Special assessments	28,200	28,200	139,658	111,458
Transfer to other funds	(60,000)	(60,000)	(60,000)	-
Total other financing sources	<u>(24,800)</u>	<u>(24,800)</u>	<u>79,923</u>	<u>104,723</u>
Net change in fund balance	(5,500,000)	(5,500,000)	489,119	5,989,119
Fund balance at beginning of year	<u>5,500,000</u>	<u>5,500,000</u>	<u>4,674,981</u>	<u>(825,019)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,164,100</u>	<u>\$ 5,164,100</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MENTAL HEALTH FUND
For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,780,817	\$ 4,780,817	\$ 8,110,778	\$ 3,329,961
Licenses, fees, and permits	30,000	30,000	19,671	(10,329)
Interest on investments	50,000	50,000	31,200	(18,800)
Charges for services	137,327	137,327	145,907	8,580
Other	23,542	23,542	23,282	(260)
Total revenues	<u>5,021,686</u>	<u>5,021,686</u>	<u>8,330,838</u>	<u>3,309,152</u>
Expenditures:				
Health and Welfare:				
Local Administration	2,518,927	2,518,927	1,147,909	1,371,018
Mental Health Services	6,727,469	6,727,469	5,982,933	744,536
Alcohol and Drug Services	522,233	522,233	311,975	210,258
Total expenditures	<u>9,768,629</u>	<u>9,768,629</u>	<u>7,442,817</u>	<u>2,325,812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,746,943)</u>	<u>(4,746,943)</u>	<u>888,021</u>	<u>5,634,964</u>
Other financing sources (uses):				
Transfer in	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	<u>(4,446,943)</u>	<u>(4,446,943)</u>	<u>1,188,021</u>	<u>5,634,964</u>
Fund balance at beginning of year	<u>4,446,943</u>	<u>4,446,943</u>	<u>5,856,847</u>	<u>1,409,904</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,044,868</u>	<u>\$ 7,044,868</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY FOREST FUND
For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 1,000	\$ (19,000)
Timber sales	2,771,760	2,771,760	2,644,549	(127,211)
Interest on investments	70,000	70,000	34,886	(35,114)
Other	1,000	1,000	3,230	2,230
Total revenues	<u>2,862,760</u>	<u>2,862,760</u>	<u>2,683,665</u>	<u>(179,095)</u>
Expenditures:				
General Government:				
Personal services	248,622	275,070	259,152	15,918
Materials and services	236,124	209,676	163,543	46,133
Contingency	8,304,448	8,304,448	-	8,304,448
Total expenditures	<u>8,789,194</u>	<u>8,789,194</u>	<u>422,695</u>	<u>8,366,499</u>
Net change in fund balance	(5,926,434)	(5,926,434)	2,260,970	8,187,404
Fund balance at beginning of year	<u>5,926,434</u>	<u>5,926,434</u>	<u>6,403,417</u>	<u>476,983</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,664,387</u>	<u>\$ 8,664,387</u>

See auditor's report.

SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Animal Control Fund – This fund accounts for revenues collected from the sale of dog licenses and transfers from the General Fund. Fund expenditures are for operation of the County Domestic Animal Control Service.

Public Health Fund – This fund accounts for the County's public health operations. Primary revenue sources include state public health grants and contracts and Public Health Title XIX funds.

Planning Fund – Revenues in this fund consist primarily of licenses, fees and permits, as well as grants for regional planning. Expenditures are for department operations.

Law Library Fund – Revenues for this fund consist of court fees. Expenditures are primarily for furniture, fixtures, and books for the library.

County Parks Fund – Parks and recreation accounts for the County's park operations. Primary revenue sources are state grants and fees from operations. Expenditures are for park operations and capital improvements.

Community Corrections Fund – Revenues in this fund consist primarily of grants from the Oregon Department of Corrections and Community Correction Fees. Expenditures are for probation and post-confinement consulting operations.

Crime Victim Assistance Fund – Court fines and grants are the primary source of revenue for this fund. Expenditures are for crime victim assistance.

South Coast Interagency Narcotics Team Recovery (SCINT Recovery) Fund – Revenues in this fund consist primarily of a grant under the American Recovery and Reinvestment Act of 2009. Expenditures are for the enforcement of crime and drug laws in rural areas.

South Coast Interagency Narcotics Team (SCINT) Fund – This fund is used to account for funds collected for the purpose of enforcing drug laws. Revenues include federal grants and civil forfeitures. Expenditures are to operate this program.

Children and Families Fund – Revenues for this fund are from the Federal Department of Health and Human Services passing through the Oregon Commission on Children and Families. Expenditures are for family consulting to prevent juvenile delinquency.

Economic Development Fund – This fund primarily receives revenues from gambling revenues and other state economic development programs. Expenditures are for small business loans to the public.

PL 106-393 Title III Fund – Revenues from Public Law 106-393 Secure Rural Schools and Community Self-Determination Act of 2000 are for reinvested Oregon and California Railroad grant land and reconveyed Coos Bay Wagon Road grant lands. Expenditures are as allowed under Title III of the Act.

Liquor Enforcement Fund – This fund accounts for fines collected from the enforcement of the Liquor Control Act. Fund expenditures are for the enforcement of the Liquor Control Act. Any excess funds are transferred to the General Fund.

Administrative Grants Fund – Revenues in this fund consist primarily of grants from various state and federal sources. Expenditures are for senior and handicapped transportation and other community development activities.

County School Fund – This fund accounts for resources that are receipted from tax revenues, federal apportionments, and interest allocations. Expenditures are distributing to County school districts.

Local Improvement District Fund – This fund accounts for activity related to local improvement districts created to fund street repairs.

Footpaths and Bicycle Trails Fund – Revenues for this fund are the portions of state gas tax apportionments which are restricted for footpath and bicycle routes. Expenditures are for those purposes.

Industrial Development Fund – Revenues for this fund include proceeds from the sale or lease of County owned property located in an industrial use area. This revolving fund is for the development of industrial facilities as authorized by ORS Chapters 271 and 280.

Public Health – Title XIX Fund – Public health fees are the primary source of revenue in this fund. Expenditures consist of transfers to the public health fund.

Mental Health – Title XIX Fund – Mental health fees are the primary source of revenue in this fund. Expenditures consist of transfers to the mental health fund.

County Family Mediation Fund – Family mediation fees are the only sources of revenue in this fund. Expenditures consist of contracted family mediation services.

911/Dispatch Fund – This fund accounts for 911 emergency resources funded primarily by federal telephone excise taxes. Expenditures are restricted to the purpose of providing Coos County with emergency telephone services.

County Clerk Records Fund – County Clerk record fees are the primary resource of revenue in this fund. Expenditures consist of operating costs related to records maintenance.

Public Land Corner Preservation Fund – County Clerk recording fee is the primary source of revenue for this fund. Expenditures are for establishing or reestablishing public land survey corners as defined under ORS Chapter 209.

Environmental Service Fund – Environmental service fees are the primary source of revenue in this fund. Expenditures consist of personnel and material costs for the provision of services.

Child Support Enforcement Fund – Revenues in the fund consist primarily of intergovernmental payments for child support enforcement activities. Expenditures are transfers to the general fund for costs incurred for enforcement activities.

PL 110-343 Title III Fund – Revenues from Public Law 110-343 Safety Net Payments for revested Oregon and California Railroad grant land and reconveyed Coos Bay Wagon Road grant lands. Expenditures are as allowed under Title III of the Act.

Library Service District Fund – This fund is used to account the operations of the Library District. This fund is financed primarily by property taxes levied within the District area which are re-distributed to libraries within the District.

4-H and Extension Service District Fund – This fund is used to account for the activities of the 4-H and Extension Service District. Primary revenue sources are property taxes, grants and interest. Primary expenditures are to provide citizens of the District with research-based knowledge and education that focus on strengthening communities and economies, sustaining natural resources, and promoting healthy families and individuals.

Bonded Debt Fund – This fund is used to account for payment of bond principal and interest for the nondefeased portions of all County general obligation bonds issues. Revenues consist primarily of property taxes.

**COOS COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011**

	Animal Control	Public Health	Planning	Law Library	County Parks	Community Corrections	Crime Victim Assistance
ASSETS							
Cash and cash equivalents	\$ 129,763	\$ 569,725	\$ 84,272	\$ 181,368	\$ 130,484	\$ 1,066,056	\$ 1,604
Prepaid expenses	36	13,981	-	2	-	7,512	1
Receivables:							
Property taxes	-	-	-	-	-	-	-
Accounts	1,587	196,557	22,858	7,055	145,877	5,651	17,671
Due from other funds	-	4,754	1,258	-	12,430	-	-
Total assets	\$ 131,386	\$ 785,017	\$ 108,388	\$ 188,425	\$ 288,791	\$ 1,079,219	\$ 19,276
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 2,515	\$ 18,832	\$ 1,513	\$ 2,646	\$ 26,563	\$ 7,434	\$ 14
Deferred revenue	-	25,149	-	-	85,733	-	-
Due to other funds	3,990	1,485	954	-	13,440	4,841	124
Total liabilities	6,505	45,466	2,467	2,646	125,736	12,275	138
Fund balances:							
Nonspendable	36	13,981	-	2	-	7,512	1
Restricted	72,868	539,570	-	185,777	-	1,059,432	19,137
Committed	-	186,000	-	-	163,055	-	-
Assigned	51,977	-	105,921	-	-	-	-
Total fund balances	124,881	739,551	105,921	185,779	163,055	1,066,944	19,138
Total liabilities and fund balances	\$ 131,386	\$ 785,017	\$ 108,388	\$ 188,425	\$ 288,791	\$ 1,079,219	\$ 19,276

See auditor's report.

SCINT Recovery	SCINT	Children and Families	Economic Development	PL 106-393 Title III	Liquor Enforcement	Administrative Grants	County School	Local Improvement Districts
\$ 6,213 759	\$ 69,120 2,632	\$ 274,355 -	\$ 870,781 -	\$ 620,972 -	\$ 54,926 -	\$ 84,326 150	\$ 502 -	\$ 9,718 -
-	-	-	-	-	-	-	-	-
-	32,777	47,316	7,991	-	1,363	58,248	64	-
-	-	-	-	-	-	-	-	-
<u>\$ 6,972</u>	<u>\$ 104,529</u>	<u>\$ 321,671</u>	<u>\$ 878,772</u>	<u>\$ 620,972</u>	<u>\$ 56,289</u>	<u>\$ 142,724</u>	<u>\$ 566</u>	<u>\$ 9,718</u>
\$ 158 4,550 -	\$ 4,917 - 2,419	\$ 76,734 64,556 587	\$ 33,698 - -	\$ - 350,001 44,239	\$ - - -	\$ 22,714 - 39,778	\$ 502 - -	\$ - - -
4,708	7,336	141,877	33,698	394,240	-	62,492	502	-
759 1,505 -	2,632 94,561 -	- 179,794 -	- 845,074 -	- 226,732 -	- - 56,289	150 80,082 -	- 64 -	- - 9,718
2,264	97,193	179,794	845,074	226,732	56,289	80,232	64	9,718
<u>\$ 6,972</u>	<u>\$ 104,529</u>	<u>\$ 321,671</u>	<u>\$ 878,772</u>	<u>\$ 620,972</u>	<u>\$ 56,289</u>	<u>\$ 142,724</u>	<u>\$ 566</u>	<u>\$ 9,718</u>

See auditor's report.

**COOS COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011**

	Footpaths and Bicycle Trails	Industrial Development	Public Health Title XIX	Mental Health Title XIX	County Family Mediation	911 / Dispatch
ASSETS						
Cash and cash equivalents	\$ 261,285	\$ 66,694	\$ 351,973	\$ 455,511	\$ 2,063	\$ 673,904
Prepaid expenses	-	-	-	-	-	154
Receivables:						
Taxes receivable	-	-	-	-	-	-
Accounts receivable	3,337	-	-	40,858	5,443	76,718
Due from other funds	-	-	-	-	-	-
Total assets	\$ 264,622	\$ 66,694	\$ 351,973	\$ 496,369	\$ 7,506	\$ 750,776
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,886	\$ 4,892
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	2,886	4,892
Fund balances:						
Nonspendable	-	-	-	-	-	154
Restricted	264,622	-	351,973	496,369	4,620	745,730
Committed	-	66,694	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	264,622	66,694	351,973	496,369	4,620	745,884
Total liabilities and fund balances	\$ 264,622	\$ 66,694	\$ 351,973	\$ 496,369	\$ 7,506	\$ 750,776

County Clerk Records	Public Land Corner Preservation	Environmental Service	Child Support Enforcement	PL110-343 Title III	Library District Service	4-H & Extension Service District	Bonded Debt	Totals
\$ 64,724	\$ 33,875	\$ 252,054	\$ 29,891	646,801	\$ 289,519	\$ 207,774	\$ 174,876	\$ 7,665,129
-	-	177	-	-	-	802	-	26,206
-	-	-	-	-	342,745	41,681	245,164	629,590
273	29	1,100	-	-	6,643	810	4,151	684,377
-	-	-	-	-	-	-	-	18,442
<u>\$ 64,997</u>	<u>\$ 33,904</u>	<u>\$ 253,331</u>	<u>\$ 29,891</u>	<u>\$ 646,801</u>	<u>\$ 638,907</u>	<u>\$ 251,067</u>	<u>\$ 424,191</u>	<u>\$ 9,023,744</u>
\$ -	\$ 814	\$ 7,531	\$ -	\$ 598	\$ 296,162	\$ 85,627	\$ -	\$ 596,750
-	-	-	14,618	599,952	296,236	36,010	211,568	1,688,373
-	-	276	-	37,489	-	-	-	149,622
-	814	7,807	14,618	638,039	592,398	121,637	211,568	2,434,745
-	-	177	-	-	-	802	-	26,206
64,997	33,090	245,347	15,273	8,762	46,509	128,628	212,623	5,923,139
-	-	-	-	-	-	-	-	415,749
-	-	-	-	-	-	-	-	223,905
<u>64,997</u>	<u>33,090</u>	<u>245,524</u>	<u>15,273</u>	<u>8,762</u>	<u>46,509</u>	<u>129,430</u>	<u>212,623</u>	<u>6,588,999</u>
<u>\$ 64,997</u>	<u>\$ 33,904</u>	<u>\$ 253,331</u>	<u>\$ 29,891</u>	<u>\$ 646,801</u>	<u>\$ 638,907</u>	<u>\$ 251,067</u>	<u>\$ 424,191</u>	<u>\$ 9,023,744</u>

See auditor's report.

COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	Animal Control	Public Health	Planning	Law Library	County Parks	Community Corrections	Crime Victim Assistance
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-	-	-
Intergovernmental	-	1,201,901	59,904	-	406,015	1,159,899	70,648
Licenses, fees, and permits	36,564	1,030,974	183,572	-	389,543	144,955	-
Charges for services	39,558	84,318	-	-	257,238	-	-
Fines and forfeitures	-	-	522	86,716	-	72,261	46,471
Interest on investments	648	2,572	-	869	960	5,852	35
Other revenue	21,724	4,177	109	3	16,363	13,192	54
Total revenues	98,494	2,323,942	244,107	87,588	1,070,119	1,396,159	117,208
Expenditures:							
General government	-	-	255,983	66,006	-	-	119,883
Public safety	223,754	-	-	-	-	1,345,490	-
Health and welfare	-	2,263,399	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	1,276,174	-	-
Intergovernmental	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	223,754	2,263,399	255,983	66,006	1,276,174	1,345,490	119,883
Excess (deficiency) of revenues over (under) expenditures	(125,260)	60,543	(11,876)	21,582	(206,055)	50,669	(2,675)
Other financing sources (uses):							
Sale of assets	-	453	450	-	330	269	-
Special assessments	-	-	-	-	-	-	-
Transfers in	96,072	195,000	-	-	180,949	-	-
Transfers out	-	-	-	(17,000)	-	(57,375)	-
Total other financing sources (uses)	96,072	195,453	450	(17,000)	181,279	(57,106)	-
Net change in fund balance	(29,188)	255,996	(11,426)	4,582	(24,776)	(6,437)	(2,675)
Fund balances at beginning of year	154,069	483,555	117,347	181,197	187,831	1,073,381	21,813
Fund balances at end of year	\$ 124,881	\$ 739,551	\$ 105,921	\$ 185,779	\$ 163,055	\$ 1,066,944	\$ 19,138

See auditor's report.

SCINT Recovery	SCINT	Children and Families	Economic Development	PI 106-393 Title III	Liquor Enforcement	Administrative Grants	County School	Local Improvement Districts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	84,291	-
249,704	182,412	541,576	193,133	338,409	-	545,032	189,214	-
-	-	-	6,815	-	-	-	-	-
-	-	-	-	-	-	-	-	-
14	45,208	-	-	-	32,997	-	4,258	-
-	206	1,187	4,093	3,872	308	419	23	1,147
50	10,644	1,771	38	-	25	19,622	-	-
249,768	238,470	544,534	204,079	342,281	33,330	565,073	277,786	1,147
-	-	-	-	338,409	-	-	-	-
247,524	201,046	-	-	-	48,289	-	-	-
-	-	540,543	-	-	-	-	-	-
-	-	-	211,968	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	559,138	281,701	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
247,524	201,046	540,543	211,968	338,409	48,289	559,138	281,701	-
2,244	37,424	3,991	(7,889)	3,872	(14,959)	5,935	(3,915)	1,147
-	923	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	8,571
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	923	-	-	-	-	-	-	8,571
2,244	38,347	3,991	(7,889)	3,872	(14,959)	5,935	(3,915)	9,718
20	58,846	175,803	852,963	222,860	71,248	74,297	3,979	-
\$ 2,264	\$ 97,193	\$ 179,794	\$ 845,074	\$ 226,732	\$ 56,289	\$ 80,232	\$ 64	\$ 9,718

See auditor's report.

COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Year Ended June 30, 2011

	Footpaths and Bicycle Trails	Industrial Development	Public Health Title XIX	Mental Health Title XIX	County Family Mediation	911 / Dispatch
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-	-
Intergovernmental	35,391	-	-	-	39,666	374,142
Licenses, fees, and permits	-	-	-	230,492	-	100
Charges for services	-	-	-	-	-	120,555
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	1,151	317	1,670	3,047	42	3,094
Other revenue	-	-	-	-	1,443	352
Total revenues	36,542	317	1,670	233,539	41,151	498,243
Expenditures:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	963,006
Health and welfare	-	-	-	-	55,320	-
Community development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	-	-	-	55,320	963,006
Excess (deficiency) of revenues over (under) expenditures	36,542	317	1,670	233,539	(14,169)	(464,763)
Other financing sources (uses):						
Sale of assets	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Transfers in	-	-	-	-	-	442,871
Transfers out	-	-	-	(300,000)	-	-
Total other financing sources (uses)	-	-	-	(300,000)	-	442,871
Net change in fund balance	36,542	317	1,670	(66,461)	(14,169)	(21,892)
Fund balances at beginning of year	228,080	66,377	350,303	562,830	18,789	767,776
Fund balances at end of year	\$ 264,622	\$ 66,694	\$ 351,973	\$ 496,369	\$ 4,620	\$ 745,884

See auditor's report.

County Clerk Records	Public Land Corner Preservation	Environmental Service	Child Support Enforcement	PL110-343 Title III	Library Service District	4-H & Extension Service District	Bonded Debt	Totals
\$ -	\$ -	\$ -	\$ -	\$ 215,103	\$ 3,024,989	\$ 368,826	\$ 1,915,251	\$ 5,524,169
-	-	-	-	-	6,643	810	4,151	95,895
-	-	-	54,975	-	14,050	1,712	9,193	5,666,976
19,484	87,068	203,824	-	-	-	-	-	2,333,391
-	911	1,067	-	-	-	-	-	503,647
-	-	-	-	-	11,531	1,360	23,293	324,631
388	300	1,252	226	3,811	1,369	912	4,592	44,362
15	1,783	397	-	-	-	-	-	91,762
<u>19,887</u>	<u>90,062</u>	<u>206,540</u>	<u>55,201</u>	<u>218,914</u>	<u>3,058,582</u>	<u>373,620</u>	<u>1,956,480</u>	<u>14,584,833</u>
49,455	153,522	-	-	215,103	-	-	-	1,198,361
-	-	-	-	-	-	-	-	3,029,109
-	-	223,385	-	-	-	-	-	3,082,647
-	-	-	-	-	-	-	-	211,968
-	-	-	-	-	3,078,066	347,746	-	4,701,986
-	-	-	-	-	-	-	-	840,839
-	-	-	-	-	-	-	1,120,000	1,120,000
-	-	-	-	-	-	-	999,454	999,454
<u>49,455</u>	<u>153,522</u>	<u>223,385</u>	<u>-</u>	<u>215,103</u>	<u>3,078,066</u>	<u>347,746</u>	<u>2,119,454</u>	<u>15,184,364</u>
<u>(29,568)</u>	<u>(63,460)</u>	<u>(16,845)</u>	<u>55,201</u>	<u>3,811</u>	<u>(19,484)</u>	<u>25,874</u>	<u>(162,974)</u>	<u>(599,531)</u>
-	-	-	-	-	-	-	-	2,425
-	-	-	-	-	-	-	-	8,571
-	-	-	-	-	-	-	-	914,892
-	-	-	(54,975)	-	-	-	-	(429,350)
-	-	-	(54,975)	-	-	-	-	496,538
(29,568)	(63,460)	(16,845)	226	3,811	(19,484)	25,874	(162,974)	(102,993)
<u>94,565</u>	<u>96,550</u>	<u>262,369</u>	<u>15,047</u>	<u>4,951</u>	<u>65,993</u>	<u>103,556</u>	<u>375,597</u>	<u>6,691,992</u>
<u>\$ 64,997</u>	<u>\$ 33,090</u>	<u>\$ 245,524</u>	<u>\$ 15,273</u>	<u>\$ 8,762</u>	<u>\$ 46,509</u>	<u>\$ 129,430</u>	<u>\$ 212,623</u>	<u>\$ 6,588,999</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ANIMAL CONTROL FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 35,000	\$ 36,564	\$ 1,564
Charges for services	28,941	39,558	10,617
Interest on investments	1,000	648	(352)
Other	13,908	21,724	7,816
	<hr/>	<hr/>	<hr/>
Total revenues	78,849	98,494	19,645
Expenditures:			
Public Safety:			
Personal services	171,122	162,826	8,296
Materials and services	79,990	52,528	27,462
Capital outlay	73,885	8,400	65,485
	<hr/>	<hr/>	<hr/>
Total expenditures	324,997	223,754	101,243
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	(246,148)	(125,260)	120,888
Other financing sources (uses):			
Transfer in	96,072	96,072	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(150,076)	(29,188)	120,888
Fund balance at beginning of year	150,076	154,069	3,993
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 124,881	\$ 124,881
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC HEALTH
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,340,084	\$ 1,201,901	\$ (138,183)
Licenses, fees, and permits	679,117	1,030,974	351,857
Charges for services	57,290	84,318	27,028
Interest on investments	-	2,572	2,572
Other	1,200	4,177	2,977
	<u>2,077,691</u>	<u>2,323,942</u>	<u>246,251</u>
Total revenues			
Expenditures:			
Public Safety:			
Personal services	1,701,680	1,645,331	56,349
Materials and services	757,403	557,430	199,973
Capital outlay	61,490	60,638	852
	<u>2,520,573</u>	<u>2,263,399</u>	<u>257,174</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(442,882)</u>	<u>60,543</u>	<u>503,425</u>
Other financing sources (uses):			
Sale of assets	-	453	453
Transfer in	437,882	195,000	(242,882)
	<u>437,882</u>	<u>195,453</u>	<u>(242,429)</u>
Total other financing sources			
Net change in fund balance	(5,000)	255,996	260,996
Fund balance at beginning of year	<u>191,000</u>	<u>483,555</u>	<u>292,555</u>
Fund balance at end of year	<u>\$ 186,000</u>	<u>\$ 739,551</u>	<u>\$ 553,551</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PLANNING
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 74,000	\$ 59,904	\$ (14,096)
Licenses, fees, and permits	295,869	183,572	(112,297)
Interest on investments	500	522	22
Other	-	109	109
	<hr/>	<hr/>	<hr/>
Total revenues	370,369	244,107	(126,262)
Expenditures:			
Public Safety:			
Personal services	244,092	215,719	28,373
Materials and services	50,981	37,459	13,522
Debt Service	2,806	2,805	1
Contingency	107,490	-	107,490
	<hr/>	<hr/>	<hr/>
Total expenditures	405,369	255,983	149,386
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	(35,000)	(11,876)	23,124
Other financing sources (uses):			
Sale of assets	-	450	450
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(35,000)	(11,426)	23,574
Fund balance at beginning of year	123,000	117,347	(5,653)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ 88,000	\$ 105,921	\$ 17,921
	<hr/>	<hr/>	<hr/>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAW LIBRARY FUND
For the Year Ended June 30, 2011

	Final Budget	Actual	Variance
Revenues:			
Licenses, fees, and permits	\$ 40	\$ -	\$ (40)
Fines and forfeitures	70,000	86,716	16,716
Interest on investments	1,500	869	(631)
Other	-	3	3
	<hr/>	<hr/>	<hr/>
Total revenues	71,540	87,588	16,048
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personal services	5,485	4,361	1,124
Materials and services	70,047	61,645	8,402
Contingency	139,008	-	139,008
	<hr/>	<hr/>	<hr/>
Total expenditures	214,540	66,006	148,534
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(143,000)	21,582	164,582
Other financing sources (uses):			
Transfer out	(17,000)	(17,000)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(160,000)	4,582	164,582
Fund balance at beginning of year	160,000	181,197	21,197
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 185,779	\$ 185,779
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See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY PARKS FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,547,424	\$ 406,015	\$ (1,141,409)
Licenses, fees, and permits	370,250	389,543	19,293
Charges for services	262,000	257,238	(4,762)
Interest on investments	1,500	960	(540)
Other	-	16,363	16,363
	<u>2,181,174</u>	<u>1,070,119</u>	<u>(1,111,055)</u>
Total revenues			
Expenditures:			
Public Safety:			
Personal services	623,895	605,465	18,430
Materials and services	335,143	327,774	7,369
Capital outlay	1,440,028	342,935	1,097,093
Contingency	113,057	-	113,057
	<u>2,512,123</u>	<u>1,276,174</u>	<u>1,235,949</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(330,949)</u>	<u>(206,055)</u>	<u>124,894</u>
Other financing sources (uses):			
Sale of assets	-	330	330
Transfer in	180,949	180,949	-
	<u>180,949</u>	<u>181,279</u>	<u>330</u>
Total other financing sources			
Net change in fund balance	(150,000)	(24,776)	125,224
Fund balance at beginning of year	150,000	187,831	37,831
Fund balance at end of year	<u>\$ -</u>	<u>\$ 163,055</u>	<u>\$ 163,055</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY CORRECTIONS FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,170,555	\$ 1,159,899	\$ (10,656)
Licenses, fees, and permits	145,000	144,955	(45)
Fines and forfeitures	75,000	72,261	(2,739)
Interest on investments	9,000	5,852	(3,148)
Other	-	13,192	13,192
	<u>1,399,555</u>	<u>1,396,159</u>	<u>(3,396)</u>
Total revenues			
Expenditures:			
Public Safety:			
Personal services	1,480,945	1,073,400	407,545
Materials and services	317,900	240,280	77,620
Capital outlay	52,200	29,513	22,687
Debt service	2,297	2,297	-
Contingency	521,860	-	521,860
	<u>2,375,202</u>	<u>1,345,490</u>	<u>1,029,712</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(975,647)</u>	<u>50,669</u>	<u>1,026,316</u>
Other financing sources (uses):			
Sale of assets	-	269	269
Transfer out	(57,375)	(57,375)	-
	<u>(57,375)</u>	<u>(57,106)</u>	<u>269</u>
Total other financing sources			
Net change in fund balance	(1,033,022)	(6,437)	1,026,585
Fund balance at beginning of year	<u>1,033,022</u>	<u>1,073,381</u>	<u>40,359</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,066,944</u>	<u>\$ 1,066,944</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CRIME VICTIM ASSISTANCE FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 70,842	\$ 70,648	\$ (194)
Fines and forfeitures	45,692	46,471	779
Interest on investments	50	35	(15)
Other	1,000	54	(946)
	<u>117,584</u>	<u>117,208</u>	<u>(376)</u>
Total revenues			
Expenditures:			
General Government:			
Personal services	115,901	114,970	931
Materials and services	6,683	4,913	1,770
	<u>122,584</u>	<u>119,883</u>	<u>2,701</u>
Total expenditures			
Net change in fund balance	(5,000)	(2,675)	2,325
Fund balance at beginning of year	<u>5,000</u>	<u>21,813</u>	<u>16,813</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 19,138</u>	<u>\$ 19,138</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SOUTH COAST INTERAGENCY NARCOTICS TEAM RECOVERY FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 440,172	\$ 249,704	\$ (190,468)
Interest on investments	-	14	14
Other	-	50	50
	<hr/>	<hr/>	<hr/>
Total revenues	440,172	249,768	(190,404)
	<hr/>	<hr/>	<hr/>
Expenditures:			
Public safety:			
Personal services	390,898	223,278	167,620
Materials and services	25,790	5,246	20,544
Capital outlay	23,484	19,000	4,484
	<hr/>	<hr/>	<hr/>
Total expenditures	440,172	247,524	192,648
	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	2,244	2,244
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	-	20	20
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,264</u>	<u>\$ 2,264</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SOUTH COAST INTERAGENCY NARCOTICS TEAM (SCINT) FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Transfers			
Intergovernmental	\$ 1,884,843	\$ 182,412	\$ (1,702,431)
Fines and forfeitures	-	45,208	45,208
Interest on investments	-	206	206
Other	-	10,644	10,644
	<u>1,884,843</u>	<u>238,470</u>	<u>(1,646,373)</u>
Total revenues			
Expenditures:			
Public safety:			
Personal services	1,697,095	87,930	1,609,165
Materials and services	204,977	113,116	91,861
Capital outlay	14,000	-	14,000
	<u>1,916,072</u>	<u>201,046</u>	<u>1,715,026</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(31,229)</u>	<u>37,424</u>	<u>68,653</u>
Other financing sources (uses):			
Sale of assets	-	923	923
	<u>-</u>	<u>923</u>	<u>923</u>
Net change in fund balance	(31,229)	38,347	69,576
Fund balance at beginning of year	<u>31,229</u>	<u>58,846</u>	<u>27,617</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 97,193</u>	<u>\$ 97,193</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CHILDREN AND FAMILIES FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 539,502	\$ 541,576	\$ 2,074
Interest on investments	1,800	1,187	(613)
Other	6,500	1,771	(4,729)
	<hr/>	<hr/>	<hr/>
Total revenues	547,802	544,534	(3,268)
Expenditures:			
Health and Welfare:			
Personal services	215,129	170,925	44,204
Materials and services	563,093	369,618	193,475
	<hr/>	<hr/>	<hr/>
Total expenditures	778,222	540,543	237,679
Net change in fund balance	(230,420)	3,991	234,411
Fund balance at beginning of year	230,420	175,803	(54,617)
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Fund balance at end of year	\$ -	\$ 179,794	\$ 179,794
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See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT FUND
For the Year Ended June 30, 2011

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 160,000	\$ 193,133	\$ 33,133
Licenses, fees, and permits	5,500	6,815	1,315
Interest on investments	8,000	4,093	(3,907)
Other	-	38	38
	<hr/>	<hr/>	<hr/>
Total revenues	173,500	204,079	30,579
	<hr/>	<hr/>	<hr/>
Expenditures:			
Community Development:			
Materials and services	354,666	95,257	259,409
Capital outlay	849,521	116,711	732,810
	<hr/>	<hr/>	<hr/>
Total expenditures	1,204,187	211,968	992,219
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(1,030,687)	(7,889)	1,022,798
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	1,030,687	852,963	(177,724)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 845,074	\$ 845,074
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See auditor's report.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PL 106-393 TITLE III FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 698,636	\$ 338,409	\$ (360,227)
Interest on investments	5,000	3,872	(1,128)
	<u>703,636</u>	<u>342,281</u>	<u>(361,355)</u>
Total revenues			
Expenditures:			
General Government:			
Materials and services	928,669	338,409	590,260
	<u>(225,033)</u>	<u>3,872</u>	<u>228,905</u>
Net change in fund balance			
Fund balance at beginning of year	225,033	222,860	(2,173)
Fund balance at end of year	<u>\$ -</u>	<u>\$ 226,732</u>	<u>\$ 226,732</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIQUOR ENFORCEMENT FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Fines and forfeitures	\$ 35,000	\$ 32,997	\$ (2,003)
Interest on investments	600	308	(292)
Other	-	25	25
	<hr/>	<hr/>	<hr/>
Total revenues	35,600	33,330	(2,270)
	<hr/>	<hr/>	<hr/>
Expenditures:			
Public Safety:			
Personal services	48,165	48,079	86
Materials and services	993	210	783
Contingency	53,462	-	53,462
	<hr/>	<hr/>	<hr/>
Total expenditures	102,620	48,289	54,331
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(67,020)	(14,959)	52,061
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	67,020	71,248	4,228
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 56,289	\$ 56,289
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ADMINISTRATIVE GRANTS FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 2,438,253	\$ 545,032	\$ (1,893,221)
Interest on investments	700	419	(281)
Other	35,000	19,622	(15,378)
	<u>2,473,953</u>	<u>565,073</u>	<u>(1,908,880)</u>
Total revenues			
Expenditures:			
Intergovernmental:			
Materials and services	732,785	550,607	182,178
Capital outlay	1,815,000	8,531	1,806,469
	<u>2,547,785</u>	<u>559,138</u>	<u>1,988,647</u>
Total expenditures			
Net change in fund balance	(73,832)	5,935	79,767
Fund balance at beginning of year	<u>73,832</u>	<u>74,297</u>	<u>465</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 80,232</u>	<u>\$ 80,232</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY SCHOOL FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Taxes - other	\$ 90,000	\$ 84,291	\$ (5,709)
Intergovernmental	239,000	189,214	(49,786)
Fines and forfeitures	1,000	4,258	3,258
Interest on investments	1,000	23	(977)
	<u>331,000</u>	<u>277,786</u>	<u>(53,214)</u>
Total revenues			
Expenditures:			
Intergovernmental:			
For support of schools	331,000	281,701	49,299
	<u>331,000</u>	<u>281,701</u>	<u>49,299</u>
Net change in fund balance	-	(3,915)	(3,915)
Fund balance at beginning of year	-	3,979	3,979
Fund balance at end of year	<u>\$ -</u>	<u>\$ 64</u>	<u>\$ 64</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL IMPROVEMENT DISTRICT FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	<u>\$ 16,500</u>	<u>\$ 1,147</u>	<u>\$ (15,353)</u>
Expenditures:			
Public Works:			
Materials and services	<u>500</u>	<u>-</u>	<u>500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,000</u>	<u>1,147</u>	<u>(14,853)</u>
Other financing sources (uses):			
Transfers out	(28,200)	-	28,200
Special assessments	<u>12,200</u>	<u>8,571</u>	<u>(3,629)</u>
Total other financing sources (uses):	<u>(16,000)</u>	<u>8,571</u>	<u>24,571</u>
Net change in fund balance	-	9,718	9,718
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 9,718</u>	<u>\$ 9,718</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOOT PATHS AND BICYCLE TRAILS FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 30,000	\$ 35,391	\$ 5,391
Interest on investments	1,500	1,151	(349)
Total revenues	<u>31,500</u>	<u>36,542</u>	<u>5,042</u>
Expenditures:			
Public Works:			
Materials and services	30,000	-	30,000
Capital outlay	229,748	-	229,748
Total expenditures	<u>259,748</u>	<u>-</u>	<u>259,748</u>
Net change in fund balance	(228,248)	36,542	264,790
Fund balance at beginning of year	<u>228,248</u>	<u>228,080</u>	<u>(168)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 264,622</u>	<u>\$ 264,622</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INDUSTRIAL DEVELOPMENT FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	\$ 1,000	\$ 317	\$ (683)
Expenditures:			
Community Development:			
Materials and services	57,432	-	57,432
Capital outlay	10,000	-	10,000
Total expenditures	67,432	-	67,432
Net change in fund balance	(66,432)	317	66,749
Fund balance at beginning of year	66,432	66,377	(55)
Fund balance at end of year	<u>\$ -</u>	<u>\$ 66,694</u>	<u>\$ 66,694</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC HEALTH - TITLE XIX FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	\$ 2,500	\$ 1,670	\$ (830)
Other financing sources (uses):			
Transfer out	(242,882)	-	242,882
Net change in fund balance	(240,382)	1,670	242,052
Fund balance at beginning of year	300,459	350,303	49,844
Fund balance at end of year	<u>\$ 60,077</u>	<u>\$ 351,973</u>	<u>\$ 291,896</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MENTAL HEALTH - TITLE XIX FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 254,872	\$ 230,492	\$ (24,380)
Interest on investments	1,625	3,047	1,422
	<hr/>	<hr/>	<hr/>
Total revenues	256,497	233,539	(22,958)
Expenditures:			
Health & Welfare:			
Contingency	451,422	-	451,422
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(194,925)	233,539	428,464
Other financing sources (uses):			
Transfer out	(300,000)	(300,000)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(494,925)	(66,461)	428,464
Fund balance at beginning of year	494,925	562,830	67,905
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 496,369</u>	<u>\$ 496,369</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY FAMILY MEDIATION FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 39,000	\$ 39,666	\$ 666
Interest on investments	500	42	(458)
Other revenue	-	1,443	1,443
	<hr/>	<hr/>	<hr/>
Total revenues	39,500	41,151	1,651
	<hr/>	<hr/>	<hr/>
Expenditures:			
Health and Welfare:			
Materials and services	76,200	55,320	20,880
Operating contingency	1,492	-	1,492
	<hr/>	<hr/>	<hr/>
Total expenditures	77,692	55,320	22,372
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(38,192)	(14,169)	24,023
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	38,192	18,789	(19,403)
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Fund balance at end of year	\$ -	\$ 4,620	\$ 4,620
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See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
911/DISPATCH FUND
For the Year Ended June 30, 2011

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 377,684	\$ 374,142	\$ (3,542)
Licenses, fees, and permits	200	100	(100)
Charges for services	121,327	120,555	(772)
Interest on investments	-	3,094	3,094
Other	4,564	352	(4,212)
Total revenues	<u>503,775</u>	<u>498,243</u>	<u>(5,532)</u>
Expenditures:			
Public Safety:			
Dispatch Division	621,646	586,748	34,898
PSAP Division	1,107,529	376,258	731,271
Total expenditures	<u>1,729,175</u>	<u>963,006</u>	<u>766,169</u>
Excess (deficiency) of revenues over (under) expenditures	(1,225,400)	(464,763)	760,637
Other financing sources (uses):			
Transfer in	442,871	442,871	-
Net change in fund balance	(782,529)	(21,892)	760,637
Fund balance at beginning of year	<u>782,529</u>	<u>767,776</u>	<u>(14,753)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 745,884</u>	<u>\$ 745,884</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY CLERK RECORDS FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 20,223	\$ 19,484	\$ (739)
Interest on investments	800	388	(412)
Other	-	15	15
	<hr/>	<hr/>	<hr/>
Total revenues	21,023	19,887	(1,136)
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personal services	47,293	46,899	394
Materials and services	78,411	2,556	75,855
Contingency	20,319	-	20,319
	<hr/>	<hr/>	<hr/>
Total expenditures	146,023	49,455	96,568
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(125,000)	(29,568)	95,432
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	125,000	94,565	(30,435)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 64,997	\$ 64,997
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See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC LAND CORNER PRESERVATION FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 103,113	\$ 87,068	\$ (16,045)
Charges for services	-	911	911
Interest on investments	1,000	300	(700)
Other revenues	-	1,783	1,783
	<hr/>	<hr/>	<hr/>
Total revenues	104,113	90,062	(14,051)
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personal services	148,003	146,358	1,645
Materials and services	16,976	7,164	9,812
Contingency	27,134	-	27,134
	<hr/>	<hr/>	<hr/>
Total expenditures	192,113	153,522	38,591
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(88,000)	(63,460)	24,540
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	88,000	96,550	8,550
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 33,090	\$ 33,090
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ENVIRONMENTAL SERVICE FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ -	\$ 203,824	\$ 203,824
Charges for services	207,250	1,067	(206,183)
Interest on investments	5,004	1,252	(3,752)
Other revenues	<u>1,500</u>	<u>397</u>	<u>(1,103)</u>
Total revenues	<u>213,754</u>	<u>206,540</u>	<u>(7,214)</u>
Expenditures:			
Health and Welfare:			
Personal services	211,013	186,092	24,921
Materials and services	101,724	37,293	64,431
Contingency	<u>145,314</u>	<u>-</u>	<u>145,314</u>
Total expenditures	<u>458,051</u>	<u>223,385</u>	<u>234,666</u>
Net change in fund balance	(244,297)	(16,845)	227,452
Fund balance at beginning of year	<u>244,297</u>	<u>262,369</u>	<u>18,072</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 245,524</u>	<u>\$ 245,524</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CHILD SUPPORT ENFORCEMENT FUND
For the Year Ended June 30, 2011

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 29,450	\$ 54,975	\$ 25,525
Interest on investments	500	226	(274)
Total revenues	<u>29,950</u>	<u>55,201</u>	<u>25,251</u>
Expenditures:			
Health & Welfare:			
Materials and services	2,500	-	2,500
Contingency	30,304	-	30,304
Total expenditures	<u>32,804</u>	<u>-</u>	<u>32,804</u>
Excess (deficiency) of revenues over (under) expenditures	(2,854)	55,201	58,055
Other financing sources (uses):			
Transfer out	<u>(51,841)</u>	<u>(54,975)</u>	<u>(3,134)</u>
Net change in fund balance	(54,695)	226	54,921
Fund balance at beginning of year	<u>54,695</u>	<u>15,047</u>	<u>(39,648)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 15,273</u>	<u>\$ 15,273</u>

See auditor's report.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PL 110-343 IN LIEU TITLE III FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,252,785	\$ 215,103	\$ (1,037,682)
Interest on investments	5,000	3,811	(1,189)
	<u>1,257,785</u>	<u>218,914</u>	<u>(1,038,871)</u>
Total revenues			
Expenditures:			
General Government:			
Materials and services	1,262,785	215,103	1,047,682
Net change in fund balance	(5,000)	3,811	8,811
Fund balance at beginning of year	5,000	4,951	(49)
Fund balance at end of year	<u>\$ -</u>	<u>\$ 8,762</u>	<u>\$ 8,762</u>

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIBRARY SERVICE DISTRICT FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 2,998,044	\$ 3,024,989	\$ 26,945
Taxes - other	20,000	6,643	(13,357)
Intergovernmental	32,100	14,050	(18,050)
Fines and forfeitures	15,000	11,531	(3,469)
Interest on investments	3,000	1,369	(1,631)
	<u>3,068,144</u>	<u>3,058,582</u>	<u>(9,562)</u>
Total revenues			
Expenditures:			
Culture and Recreation:			
Materials and services	3,128,144	3,078,066	50,078
	<u>(60,000)</u>	<u>(19,484)</u>	<u>40,516</u>
Net change in fund balance			
Fund balance at beginning of year	60,000	65,993	5,993
Fund balance at end of year	<u>\$ -</u>	<u>\$ 46,509</u>	<u>\$ 46,509</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
4-H & EXTENSION SERVICE DISTRICT FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 363,843	\$ 368,826	\$ 4,983
Taxes - other	2,000	810	(1,190)
Intergovernmental	2,200	1,712	(488)
Fines and forfeitures	1,500	1,360	(140)
Interest on investments	1,500	912	(588)
	<u>371,043</u>	<u>373,620</u>	<u>2,577</u>
Total revenues			
Expenditures:			
Culture and Recreation:			
Materials and services	379,318	347,746	31,572
Operating contingency	76,725	-	76,725
	<u>456,043</u>	<u>347,746</u>	<u>108,297</u>
Total expenditures			
Net change in fund balance	(85,000)	25,874	110,874
Fund balance at beginning of year	<u>85,000</u>	<u>103,556</u>	<u>18,556</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 129,430</u>	<u>\$ 129,430</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BONDED DEBT FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 1,845,156	\$ 1,915,251	\$ 70,095
Taxes - other	4,000	4,151	151
Intergovernmental	6,300	9,193	2,893
Fines and forfeitures	15,000	23,293	8,293
Interest on investments	9,000	4,592	(4,408)
	<hr/>	<hr/>	<hr/>
Total revenues	1,879,456	1,956,480	77,024
Expenditures:			
Debt Service:			
Principal	1,120,000	1,120,000	-
Interest	999,456	999,454	2
	<hr/>	<hr/>	<hr/>
Total expenditures	2,119,456	2,119,454	2
Net change in fund balance	(240,000)	(162,974)	77,026
Fund balance at beginning of year	240,000	375,597	135,597
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 212,623</u>	<u>\$ 212,623</u>

See auditor's report.

PROPRIETARY FUNDS - ENTERPRISE FUNDS

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The County's enterprise funds are:

Waste Disposal Operations Fund – Financial activities of the County's waste disposal operations are primarily accounted for in this fund. The fund's primary revenue source is waste disposal fees.

Waste Disposal Reserve Fund – This fund is used to accumulate reserves to assist in closing and post-closing costs of the landfill. The primary source of revenue is transfers and earnings on investments.

Gas Pipeline Fund – This fund is used to account for the County's natural gas pipeline operations. Franchise fees and interest income are the current primary sources of revenue in this fund. Expenditures are for the operations of the natural gas pipeline from Roseburg to the Coos Bay – North Bend area and remedial construction expenses.

County Fair Fund – This fund accounts for the financial operations of the County fair. Major revenue sources are from state apportionments and receipts from operation of the annual fair. Expenditures are for fairgrounds maintenance and construction, fair administration, and general operating costs.

Coos County Area Transit Service District Fund – The fund was established for the purpose of providing public transportation service facilities. The District is not empowered to levy taxes, impose assessments, or incur bonded indebtedness, and is financed solely through rider fees, donations, fund raisers, sale of equipment, grants, operating subsidies, and other such non-property tax sources.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
WASTE DISPOSAL
For the Year Ended June 30, 2011

	Waste Disposal	Waste Reserve	Totals
Operating revenues:			
Waste disposal fees	\$ 1,717,037	\$ -	\$ 1,717,037
Miscellaneous	98,852	-	98,852
Total operating revenues	<u>1,815,889</u>	<u>-</u>	<u>1,815,889</u>
Operating expenses:			
Personal service	812,538	-	812,538
Materials and services	1,044,241	-	1,044,241
Depreciation	471,213	-	471,213
Total operating expenses	<u>2,327,992</u>	<u>-</u>	<u>2,327,992</u>
Operating income (loss)	<u>(512,103)</u>	<u>-</u>	<u>(512,103)</u>
Nonoperating revenues (expense):			
Sale of assets	571	-	571
Interest expense	(27)	-	(27)
Interest on investments	1,004	11,369	12,373
Change in estimated post closure costs	(421,000)	-	(421,000)
Total nonoperating revenues (expenses)	<u>(419,452)</u>	<u>11,369</u>	<u>(408,083)</u>
Income (loss) before operating transfers	<u>(931,555)</u>	<u>11,369</u>	<u>(920,186)</u>
Transfers:			
Transfer from other funds	-	191,900	191,900
Transfer to other funds	(91,900)	-	(91,900)
Total transfers	<u>(91,900)</u>	<u>191,900</u>	<u>100,000</u>
Change in net assets	(1,023,455)	203,269	(820,186)
Net assets (deficit) at beginning of year	<u>(4,266,384)</u>	<u>2,495,299</u>	<u>(1,771,085)</u>
Net assets (deficit) at end of year	<u>\$ (5,289,839)</u>	<u>\$ 2,698,568</u>	<u>\$ (2,591,271)</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WASTE DISPOSAL OPERATIONS FUND
For the Year Ended June 30, 2011

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Licenses, fees, and permits	\$ 1,717,037	\$ 896	\$ 1,717,933	\$ 2,600,000	\$ (882,067)
Other	98,852	-	98,852	24,400	74,452
Total operating revenues	<u>1,815,889</u>	<u>896</u>	<u>1,816,785</u>	<u>2,624,400</u>	<u>(807,615)</u>
Operating expenses:					
Sanitation:					
Personal services	812,538	342	812,880	1,198,640	385,760
Materials and services	1,044,241	(40,172)	1,004,069	1,659,701	655,632
Depreciation	471,213	(471,213)	-	-	-
Capital outlay	-	384,742	384,742	525,000	140,258
Total operating expenses	<u>2,327,992</u>	<u>(126,301)</u>	<u>2,201,691</u>	<u>3,383,341</u>	<u>1,181,650</u>
Operating income (loss)	<u>(512,103)</u>	<u>127,197</u>	<u>(384,906)</u>	<u>(758,941)</u>	<u>374,035</u>
Nonoperating revenues (expense):					
Debt service	(27)	(1,131)	(1,158)	(1,159)	1
Sale of assets	571	-	571	-	571
Change in estimated post closure costs	(421,000)	421,000	-	-	-
Interest income	1,004	-	1,004	2,000	(996)
Total nonoperating revenues (expenses)	<u>(419,452)</u>	<u>419,869</u>	<u>417</u>	<u>841</u>	<u>(424)</u>
Income (loss) before transfers:	<u>(931,555)</u>	<u>547,066</u>	<u>(384,489)</u>	<u>(758,100)</u>	<u>373,611</u>
Other revenues (expenses):					
Transfer in	-	-	-	550,000	(550,000)
Transfer out	(91,900)	-	(91,900)	(91,900)	-
Total other revenues (expenses)	<u>(91,900)</u>	<u>-</u>	<u>(91,900)</u>	<u>458,100</u>	<u>(550,000)</u>
Change in net assets	(1,023,455)	547,066	(476,389)	(300,000)	(176,389)
Net assets/Fund balance at beginning of year	<u>(4,266,384)</u>	<u>4,659,940</u>	<u>393,556</u>	<u>300,000</u>	<u>93,556</u>
Net assets/Fund balance at end of year	<u>\$ (5,289,839)</u>	<u>\$ 5,207,006</u>	<u>\$ (82,833)</u>	<u>\$ -</u>	<u>\$ (82,833)</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WASTE DISPOSAL RESERVE FUND
For the Year Ended June 30, 2011

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenue (expenses):					
Interest income	\$ 11,369	\$ -	\$ 11,369	\$ 18,000	\$ (6,631)
Other revenues (expenses):					
Transfer in	191,900	-	191,900	191,900	-
Transfer out	-	-	-	(550,000)	550,000
Total other revenues (expenses)	191,900		191,900	(358,100)	550,000
Net change in fund balance	203,269	-	203,269	(340,100)	543,369
Fund balance at beginning of year	2,495,299	-	2,495,299	2,497,884	(2,585)
Fund balance at end year	<u>\$ 2,698,568</u>	<u>\$ -</u>	<u>\$ 2,698,568</u>	<u>\$ 2,157,784</u>	<u>\$ 540,784</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAS PIPELINE FUND
For the Year Ended June 30, 2011

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Pipeline operations	\$ 680,364	\$ -	\$ 680,364	\$ 560,691	\$ 119,673
Operating expenses:					
Public works:					
Materials and services	491,255	(19,822)	471,433	565,000	93,567
Depreciation	1,035,462	(1,035,462)	-	-	-
Capital outlay	-	338,441	338,441	10,232,337	9,893,896
Total operating expenses	1,526,717	(716,843)	809,874	10,797,337	9,987,463
Operating income (loss)	(846,353)	716,843	(129,510)	(10,236,646)	10,107,136
Other revenues (expense):					
Interest income	55,626	(3,792)	51,834	80,000	(28,166)
Income (loss) before operating transfers	(790,727)	713,051	(77,676)	(10,156,646)	10,078,970
Transfers from other funds	1,236,711	(1,236,711)	-	-	-
Change in net assets	445,984	(523,660)	(77,676)	(10,156,646)	10,078,970
Net assets/Fund balance at beginning of year	36,344,908	(26,244,857)	10,100,051	10,156,646	(56,595)
Net assets/Fund balance at end of year	\$ 36,790,892	\$(26,768,517)	\$ 10,022,375	\$ -	\$ 10,022,375

See auditor's report.

COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2011

	County Fair	Transit Service District	Totals
Operating revenues:			
Operational charges	\$ 224,987	\$ 122,411	\$ 347,398
Intergovernmental	36,031	739,496	775,527
Other	61,809	-	61,809
Total operating revenues	<u>322,827</u>	<u>861,907</u>	<u>1,184,734</u>
Operating expenses:			
Personal service	89,391	407,814	497,205
Materials and services	231,177	348,363	579,540
Depreciation	30,396	119,226	149,622
Total operating expenses	<u>350,964</u>	<u>875,403</u>	<u>1,226,367</u>
Operating income (loss)	<u>(28,137)</u>	<u>(13,496)</u>	<u>(41,633)</u>
Nonoperating revenues (expense)			
Interest on investments	404	-	404
Interest expense	(286)	-	(286)
Capital grants	-	135,731	135,731
Total nonoperating revenues (expenses)	<u>118</u>	<u>135,731</u>	<u>135,849</u>
Change in net assets	(28,019)	122,235	94,216
Net assets at beginning of year	<u>778,049</u>	<u>696,861</u>	<u>1,474,910</u>
Net assets at end of year	<u>\$ 750,030</u>	<u>\$ 819,096</u>	<u>\$ 1,569,126</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COUNTY FAIR FUND
For the Year Ended June 30, 2011

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Intergovernmental	\$ 36,031	\$ -	\$ 36,031	\$ 45,000	\$ (8,969)
Licenses, fees, and permits	14,615	-	14,615	15,000	(385)
Charges for services	210,372	150	210,522	250,000	(39,478)
Other	61,809	3,031	64,840	160,000	(95,160)
Total operating revenues	322,827	3,181	326,008	470,000	(143,992)
Operating expenses:					
Culture & Recreation:					
Personal services	89,391	590	89,981	113,519	23,538
Materials and services	231,177	3,181	234,358	285,796	51,438
Depreciation	30,396	(30,396)	-	-	-
Capital outlay	-	-	-	100,000	100,000
Debt service	286	898	1,184	1,185	1
Total operating expenses	351,250	(25,727)	325,523	500,500	174,977
Operating income (loss)	(28,423)	28,908	485	(30,500)	30,985
Other revenues (expense):					
Interest income	404	-	404	500	(96)
Change in net assets	(28,019)	28,908	889	(30,000)	30,889
Net assets/Fund balance at beginning of year	778,049	(743,914)	34,135	30,000	4,135
Net assets/Fund balance at end of year	<u>\$ 750,030</u>	<u>\$ (715,006)</u>	<u>\$ 35,024</u>	<u>\$ -</u>	<u>\$ 35,024</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COOS COUNTY AREA TRANSIT SERVICE DISTRICT FUND
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance</u>
Operating revenues:			
Intergovernmental	\$ 873,520	\$ 875,227	\$ 1,707
Charges for service	75,000	95,724	20,724
Miscellaneous	29,420	20,000	(9,420)
	<u>977,940</u>	<u>990,951</u>	<u>13,011</u>
Total operating revenues			
Operating expenses:			
Personal service	589,947	504,748	85,199
Materials and services	309,203	247,812	61,391
Capital outlay	147,226	143,381	3,845
Debt service	10,000	10,000	-
Contingency	50,000	-	50,000
	<u>1,106,376</u>	<u>905,941</u>	<u>200,435</u>
Total operating expenses			
Operating income (loss)	(128,436)	85,010	213,446
Fund balance at beginning of year	<u>128,436</u>	<u>178,742</u>	<u>50,306</u>
Fund balance at end of year	<u>\$ -</u>	<u>263,752</u>	<u>\$ 263,752</u>
Reconciliation to GAAP basis net assets:			
Debt service payment		(10,000)	
Accrued compensation		(33,268)	
Capital assets, net of depreciation		<u>598,612</u>	
GAAP basis net assets		<u>\$ 819,096</u>	

See auditor's report.

FIDUCIARY FUNDS/AGENCY FUNDS

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governmental, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, whether a pension trust fund, a nonexpendable trust fund, or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent. The funds in this category are Agency Funds.

The Agency Funds are used to account for assets held by Coos County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. At any given point in time, total Agency Fund assets are equally offset by related liabilities including amounts due to the parties for whom the assets are being held by the government.

The Agency Funds of the County are grouped as follows: Taxing Districts and County Trusts.

COOS COUNTY, OREGON
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2011

<u>TAXING DISTRICTS</u>				
	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS				
Cash and investments	\$ 1,290,629	\$106,523,087	\$106,254,978	\$ 1,558,738
Receivables:				
Property taxes	5,430,818	-	127,679	5,303,139
Total assets	<u>\$ 6,721,447</u>	<u>\$106,523,087</u>	<u>\$106,382,657</u>	<u>\$ 6,861,877</u>
LIABILITIES				
Due to other agencies, funds and taxing districts	<u>\$ 6,721,447</u>	<u>\$106,523,087</u>	<u>\$106,382,657</u>	<u>\$ 6,861,877</u>

<u>COUNTY TRUSTS</u>				
	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS				
Cash and investments	\$ 1,860,719	\$ 312,343	\$ 494,014	\$ 1,679,048
Receivables:				
Contracts	2,157	-	-	2,157
Total assets	<u>\$ 1,862,876</u>	<u>\$ 312,343</u>	<u>\$ 494,014</u>	<u>\$ 1,681,205</u>
LIABILITIES				
Due to other agencies, funds and taxing districts	<u>\$ 1,862,876</u>	<u>\$ 312,343</u>	<u>\$ 494,014</u>	<u>\$ 1,681,205</u>

See auditor's report.

ACCOMPANYING INFORMATION



**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**

February 3, 2012

To the Board of Commissioners of Coos County:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Coos County, Oregon (the County) as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February XX, 2012. 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 Coos 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.

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 County's financial statements will not be prevented, or detected and corrected in a timely manner.

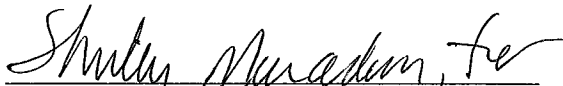
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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 Coos County'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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to the management of Coos County in a separate letter dated February 3, 2012.

This report is intended solely for the information and use of management; Coos County Board of Commissioners, the State of Oregon, Secretary of State, Division of Audits; 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.



Hough, MacAdam & Wartnik, LLC
Certified Public Accountants

**COOS COUNTY, OREGON
INDEPENDENT AUDITOR'S COMMENTS**

June 30, 2011

Audit Report Requirements

Oregon Administrative Rules 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures required in audit reports. The required schedules, comments, and disclosures not included in the preceding section of this report are as follows:

Accounting Systems and Internal Controls

Coos County's accounting systems are adequate and the accounting records are properly maintained. The internal controls for the County are operating as designed and no material weaknesses were noted. We noted certain matters that we have reported to the management of Coos County in a separate letter dated February 3, 2012.

Collateral

Based on the results of our tests, throughout the year and at fiscal year-end balances on deposit with financial institutions were secured in accordance with the requirements of ORS 295.015.

Indebtedness

Based on the results of our tests, the County has not exceeded its legal debt limitation as provided by ORS 328.245. The County was in compliance with all debt covenants and all payments were made on a timely basis.

Budget

We reviewed the preparation, adoption, and execution of the budget for the current year and the preparation and adoption of the ensuing year's budget.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot exceed appropriations. The level of control for the General Fund, Public Works, and the Mental Health Special Revenue Fund is by department, while the level of control in all other Special Revenue Funds, Debt Service and Proprietary Funds is by total personal services, materials and services, support of schools, capital outlay, debt service, contingency and other expenditures.

Based on the results of our tests, the County has complied with statutory requirements for the current and ensuing year's budgets, except as follows:

Expenditures exceeded appropriations in the following amounts:

Child Support Enforcement Fund	
Transfers out	<u>\$ 3,134</u>

Deficit net assets - The Waste Disposal Fund ended the year with deficit net asset balance of (\$2,591,271). Management expects these deficit balances to be reduced in future years by an increase in revenues and transfers into the fund in excess of total expenditures.

Insurance and Fidelity Bonds

The County is in compliance with the legal requirements pertaining to insurance and fidelity bond coverage. We are not competent by training to state whether the insurance policies covering County owned property in force at June 30, 2011, are adequate.

Based on the results of our tests the County has complied with the provisions of ORS 332.525 regarding the bonding of County personnel.

Investments

Based on the results of our tests, the County was in compliance with legal requirements of ORS 294 pertaining to investment of public funds.

Public Contracts and Purchasing

Based on the results of our tests and our review of the minutes, the County appears to be in compliance with the provisions of ORS 279 pertaining to the awarding of public contracts and the construction of public improvements.

Programs Funded from Outside Sources

We selected and tested, to the extent deemed appropriate, transactions, records, and reports relative to programs funded wholly or partially by other governmental agencies.

The results of our tests indicate, for the items tested, the County complied with the laws, rules, and regulations pertaining to programs funded wholly or partially by other governmental agencies, and, for the items tested, financial reports and related data were in agreement with and supported by the accounting records.

Separate reports have been issued to report on compliance with appropriate laws and regulations pertaining to Federal Financial Assistance with Programs funded from Outside Sources.

Highway Funds

The County is in compliance with legal requirements pertaining to the use of revenue from taxes on motor vehicle use fuel and road funds.

Statement of Accountability for Independently Elected Officials

	Assessor	Clerk	Commissioners	District Attorney	Sheriff	Surveyor	Treasurer	Total
Cash on hand July 1, 2010	\$ 50	\$ 100	\$ 125	\$ -	\$ 10,458	\$ 50	\$ 54,150,836	\$ 54,161,619
Receipts	126,559	673,391	1,592,489	266,888	1,844,095	24,603	86,059,954	90,587,979
Turnovers and disbursements:								
To County Treasurer and to others	(126,559)	(673,391)	(1,592,489)	(266,888)	(1,834,303)	(24,603)	(85,238,430)	(89,756,663)
Cash on hand June 30, 2011	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,250	\$ 50	\$ 54,972,360	\$ 54,992,935
Consists of:								
Change and revolving funds	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,250	\$ 50	\$ 2,767	\$ 23,342
Deposits w/County Treasurer	-	-	-	-	-	-	54,969,593	54,969,593
Total	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,250	\$ 50	\$ 54,972,360	\$ 54,992,935



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

February 3, 2012

To the Board of Commissioners of Coos County:

Compliance

We have audited the compliance of Coos County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Coos County's major federal programs are identified in the summary of auditor's 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 Coos County's management. Our responsibility is to express an opinion on 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 Coos 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 on Coos County's compliance with those requirements.

In our opinion, Coos County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2011.

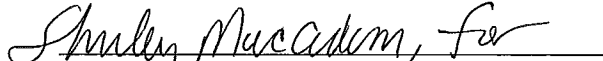
Internal Control Over Compliance

Management of Coos County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs. In planning and performing our audit, we considered Coos County's internal control over compliance with the 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Coos County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect or detect 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 a combination, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses as defined above. However, we noted other matters involving internal control that we have reported to management in a separate letter dated February 3, 2012.

This report is intended solely for the information and use of management; the Coos County Board of Commissioners; the State of Oregon, Secretary of State, Division of Audits; 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.



Hough, MacAdam & Wartnik, LLC
Certified Public Accountants

COOS COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2011

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Coos County, Oregon.
2. No significant deficiencies or material weaknesses in internal control were disclosed by the audit of the basic financial statements of Coos County.
3. No instances of noncompliance material to the basic financial statements of Coos County were disclosed during the audit.

Federal Awards

4. No significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit.
5. The auditor's report on compliance for the major federal award programs for Coos County expresses an unqualified opinion.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The programs tested as major programs were:

Special Supplemental Nutrition Program for Women, Infants and Children	CFDA # 10.557
ARRA Rural Law Enforcement Assistance Grant	CFDA # 16.810
Distribution of Receipts to State and Local Governments	CFDA # 15.227
ARRA State Energy Program	CFDA # 81.041
ARRA Energy Efficiency and Conservation Block Grant	CFDA # 81.128

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Coos County was determined to be a low-risk auditee.

SECTION II FINDINGS - FINANCIAL STATEMENT FINDINGS

None

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

COOS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Agriculture		
U.S. Forest Service - Schools and Roads--Grants to States Title II	10.665	\$ 17,692
<i>Passed through Oregon Department of Education:</i>		
School Breakfast Program	10.553	4,580
National School Lunch Program	10.555	8,002
<i>Passed through State of Oregon Department of Human Services:</i>		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	* 323,293
<i>Passed through State of Oregon Department of Administrative Services:</i>		
U.S. Forest Service - Schools and Roads--Grants to States	10.665	500,051
Subtotal U.S. Department of Agriculture		<u>853,618</u>
U.S. Department of Commerce		
<i>Passed through State of Oregon Department of Land Conservation and Development:</i>		
Coastal Zone Management Administration Awards	11.419	45,000
Subtotal U.S. Department of Commerce		<u>45,000</u>
U.S. Department of Interior		
Payments in Lieu of Taxes	15.226	186,673
Title I	15.227	* 5,247,938
Title III	15.227	* 553,513
BLM-Secure Rural Title II	15.234	34,155
<i>Passed through Oregon State Marine Board:</i>		
Clean Vessel Act	15.616	6,750
National Wildlife Refuge Fund	15.659	18,890
Subtotal U.S. Department of Interior		<u>6,047,919</u>
U.S. Department of Justice		
Public Safety Partnership and Community Policing Grants	16.710	79,471
Alien Assistance Program	16.606	4,478
Congressionally Recommended Awards	16.753	30,249
ARRA Rural Law Enforcement	16.810	* 247,524
<i>Passed through Oregon Criminal Justice Commission</i>		
Edward Byrne Memorial Justice Assistance Program	16.738	72,692
<i>Passed through State of Oregon Commission of Children & Families:</i>		
Juvenile Accountability Incentive Block Grants	16.523	10,000
<i>Passed through State of Oregon Department of Justice:</i>		
Crime Victim Assistance	16.575	31,273
Violence Against Women Formula Grant	16.588	39,375
Subtotal U.S. Department of Justice		<u>515,062</u>
U.S. Department of Transportation		
<i>Passed through State of Oregon Department of Transportation:</i>		
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	298,052
Subtotal U.S. Department of Transportation		<u>298,052</u>
Department of Administrative Services		
<i>Passed through Oregon Department of Administrative Services</i>		
Disposal of Federal Surplus Real Property	39.002	669
Donation of Federal Surplus Personal Property	39.003	34
Subtotal Department of Administrative Services		<u>703</u>

See accompanying notes.

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
Environmental Protection Agency		
<i>Passed through Department of Human Resources - Oregon State Health Division</i>		
Capitalization Grants for Drinking Water State Revolving Funds	66.468	3,500
State Public Water System Supervision	66.432	8,710
Subtotal Environmental Protection Agency		<u>12,210</u>
U.S. Department of Energy		
<i>Passed through Oregon Department of Energy:</i>		
ARRA State Energy Program	81.041	* 26,250
ARRA Energy Efficient	81.128	* 273,218
Subtotal U.S. Department of Energy		<u>299,468</u>
U.S. Department of Education		
<i>Passed through Northwestern Regional Education</i>		
Parental Information & Resource Center	84.310A	3,060
Subtotal U.S. Department of Education		<u>3,060</u>
U.S. Election Assistance Commission		
<i>Passed through Oregon Secretary of State:</i>		
Help America Vote Act	90.401	7,802
Subtotal U.S. Election Assistance Commission		<u>7,802</u>
U.S. Department of Health and Human Services		
Drug-Free Communities Support Program Grants	93.276	107,743
<i>Passed through Oregon Secretary of State:</i>		
Voting Access for Individuals with Disabilities-Grants to States	93.617	4,623
<i>Passed through State of Oregon Department of Human Services:</i>		
Public Health Emergency Preparedness	93.069	179,951
Environment PH & Emergency	93.070	5,416
TB Control Programs	93.116	2,141
Family Planning - Services	93.217	25,672
Substance Abuse & MH Services	93.243	3,824
Centers for Disease Control and Prevention, Investigations, and Technical Assistance	93.283	70,416
Bioterror Hospital Preparedness	93.889	16,635
Block Grants for Community Mental Health Services	93.958	43,372
Block Grants for Prevention and Treatment of Substance Abuse	93.959	136,196
PHHS Block Grants	93.991	3,700
Maternal and Child Health Services Block Grant to States	93.994	44,848
<i>Passed through Oregon Department of Justice:</i>		
Child Support Enforcement	93.563	92,544
<i>Passed through State of Oregon Commission of Children & Families:</i>		
Medical Assistance Program	93.778	10,015
Promoting Safe and Stable Families	93.556	26,757
Youth Investment	93.667	69,067
Foster Care Title IV-E	93.658	7,000
Subtotal U.S. Department of Health and Human Services		<u>849,920</u>
U.S. Department of Homeland Security		
<i>Passed through Oregon Military Department</i>		
Emergency Management Performance Grants	97.042	38,830
State Homeland Security Program (SHSP)	97.073	16,000
Subtotal U.S. Department of Homeland Security		<u>54,830</u>
Total Federal Assistance		<u>\$ 8,987,644</u>

* Indicates a major program
See accompanying notes.

COOS COUNTY, OREGON
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coos County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.