



COOS COUNTY, OREGON

**ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2013**

**COOS COUNTY, OREGON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013**

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BOARD OF COMMISSIONERS

COOS COUNTY, OREGON
BOARD OF COMMISSIONERS
June 30, 2013

	<u>Term Expires</u>
Bob Main, Chairperson 791 E. 10 th Street Coquille, OR 97423	December 31, 2016
John Sweet, Commissioner 1291 N. 9 th Street Coos Bay, OR 97420	December 31, 2014
Melissa Cribbins, Commissioner 410 Date Avenue Coos Bay, OR 97420	December 31, 2014

ELECTED OFFICIALS

Mary Barton, County Treasurer	December 31, 2016
Steve Jansen, Assessor	December 31, 2014
Terri Turi, County Clerk	December 31, 2014
Mike Dado, County Surveyor	December 31, 2014
Craig Zanni, County Sheriff	December 31, 2014
R. Paul Frasier, County District Attorney	December 31, 2016
John W. Sweet	December 31, 2014
Melissa Cribbins	December 31, 2014
Robert Main	December 31, 2016

MAILING ADDRESS

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

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

February 11, 2014

To the Board of Commissioners of Coos County:

Report on the Financial Statements

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, 2013, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, 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.

Other Matters

Required Supplementary Information

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 budget and actual schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements as a whole.

Other Information

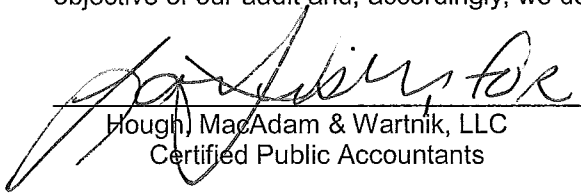
Supplementary Information

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 supplemental financial information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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.

Other Reporting Required by Government Auditing Standards and Oregon Revised Statutes

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2014 on our consideration of Coos County Library Service District'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.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated February 11, 2014, on our consideration of the Coos County's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-320. 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.



Hough, MacAdam & Wartnik, LLC
Certified Public Accountants

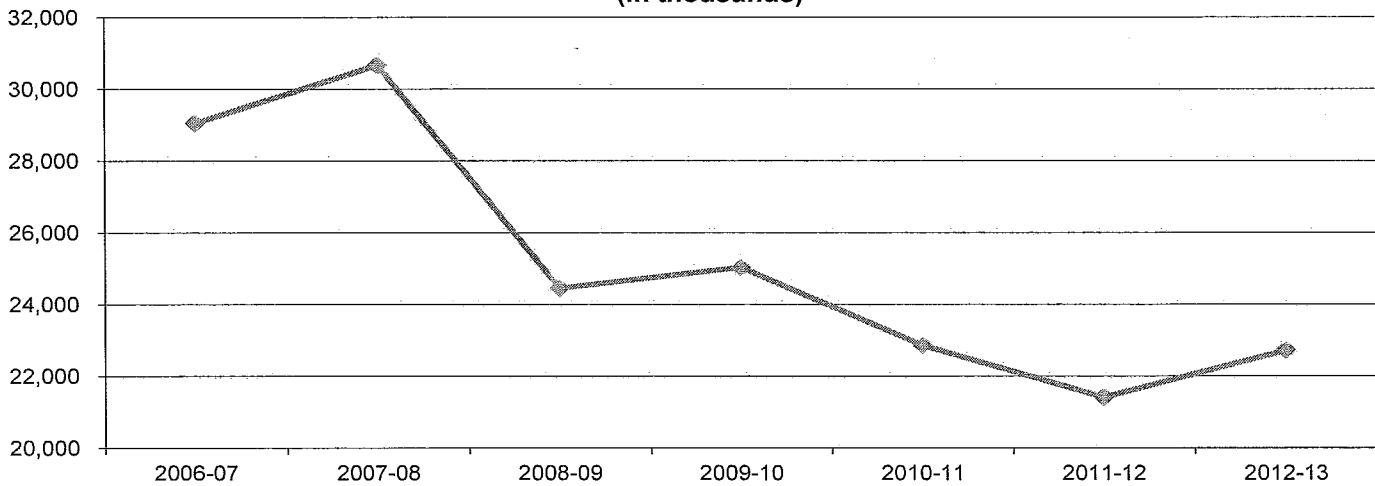
COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

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, 2013. 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, 2013 by \$151,997 (*net position*) – a decrease of \$384 or 0.25%. Of this amount, \$14,337 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's revenues decreased by 16.5% in the Governmental activities, they increased by 21.6% in the Proprietary activities. Expenses for the Governmental activities decreased by \$3,902 or 8.3%, and Proprietary decreased by \$2,630 or 37.2%. Overall net position had only modest changes; Proprietary funds increased by \$3,103 or 8.9%, while Governmental funds saw an overall decrease in net position of \$3,324 or 2.8%.
- The County's overall increase in the Propriety funds net position is based on the inactivation of all waste disposal sites during the year. The inactivation decreased the Closure/Post-Closure Cost liability by \$3,093.

General Fund Resources
(in thousands)



COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

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 position* presents information on all the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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).

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.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

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 32 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 28 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 (SCINT), Mental Health, Children and Families, Economic Development, PL106-393 Title III, PL110-343 Title III, County Forest, Liquor Enforcement, Administrative Grants, County School, 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.

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.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

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, 2012	June 30, 2013
Taxable Real Market Value	\$ 6,314,089	\$ 5,999,172
General Obligation Bond Debt Limitation (2% of Real Market Value)	126,282	119,983
Less: Outstanding debt subject to limit	18,365	17,150
Less: Assets in debt service available for principal payments	(1,215)	(1,265)
	17,150	15,885
Remaining Legal General Obligation Debt Capacity	\$ 109,132	\$ 104,098
Percent of Capacity Issued	13.6%	13.2%

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.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

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.

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.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

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

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$151,997 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 73.6% of total net position. 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 Position
in thousands

	Governmental		Business-type		Total		Comparison	
	Activities		Activities				Difference	
	2013	2012	2013	2012	2013	2012		
Current and other assets	\$ 38,379	\$ 41,146	\$ 13,541	\$ 13,616	\$ 51,920	\$ 54,762	\$ (2,842)	-5.19%
Capital assets	81,917	83,204	47,028	48,403	128,945	131,607	(2,662)	-2.02%
Total assets	120,296	124,350	60,569	62,019	180,865	186,369	(5,504)	-2.95%
Long-term liabilities	1,373	1,189	20,006	25,169	21,379	26,358	(4,979)	-18.89%
Other liabilities	5,029	5,943	2,460	1,687	7,489	7,630	(141)	-1.85%
Total liabilities	6,402	7,132	22,466	26,856	28,868	33,988	(5,120)	-15.06%
Net position:								
Invested in capital assets	81,917	82,989	29,877	30,268	111,794	113,257	(1,463)	-1.29%
Restricted	17,557	2,885	8,309	-	25,866	2,885	22,981	796.57%
Unrestricted	14,420	31,344	(83)	4,895	14,337	36,239	(21,902)	-60.44%
Total net position	\$ 113,894	\$ 117,218	\$ 38,103	\$ 35,163	\$ 151,997	\$ 152,381	\$ (384)	-0.25%

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

Changes in Net Position

The County's *unrestricted net position* \$14,337 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 position. 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's overall net position had relatively minor changes; the ending balance is a \$384 decrease or 0.3% over last fiscal year, there was a decrease within governmental activities; and an increase within business type activities. The overall net position decreased within governmental activities by \$3,324 or 2.8%.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

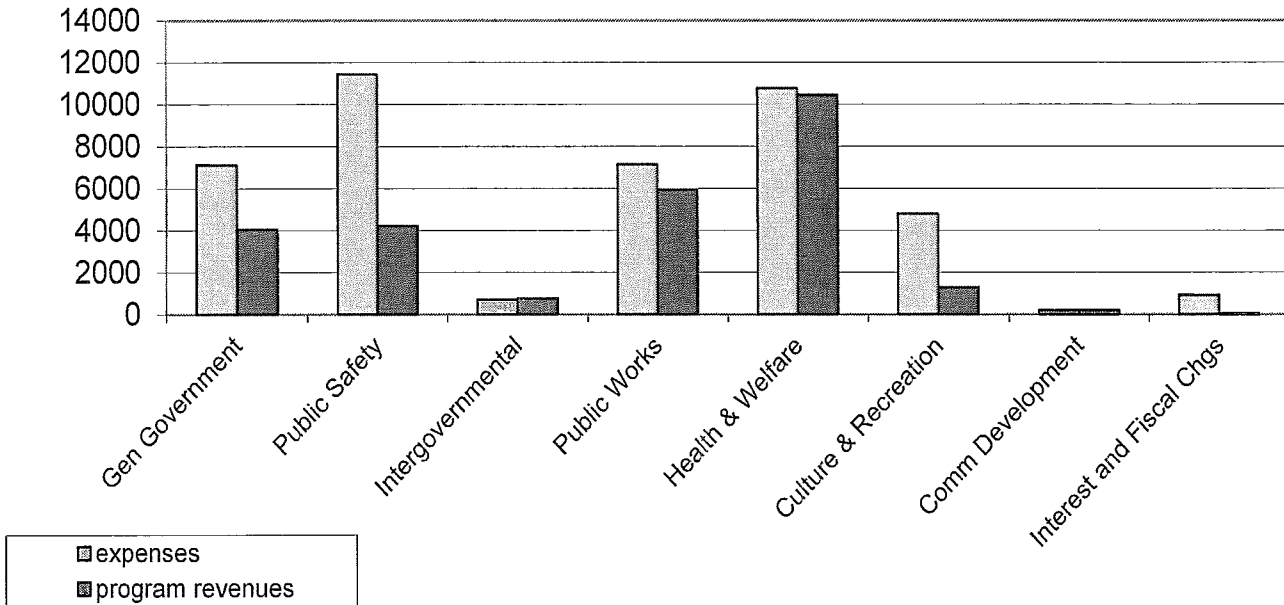
Coos County's Changes in Net Position

in thousands

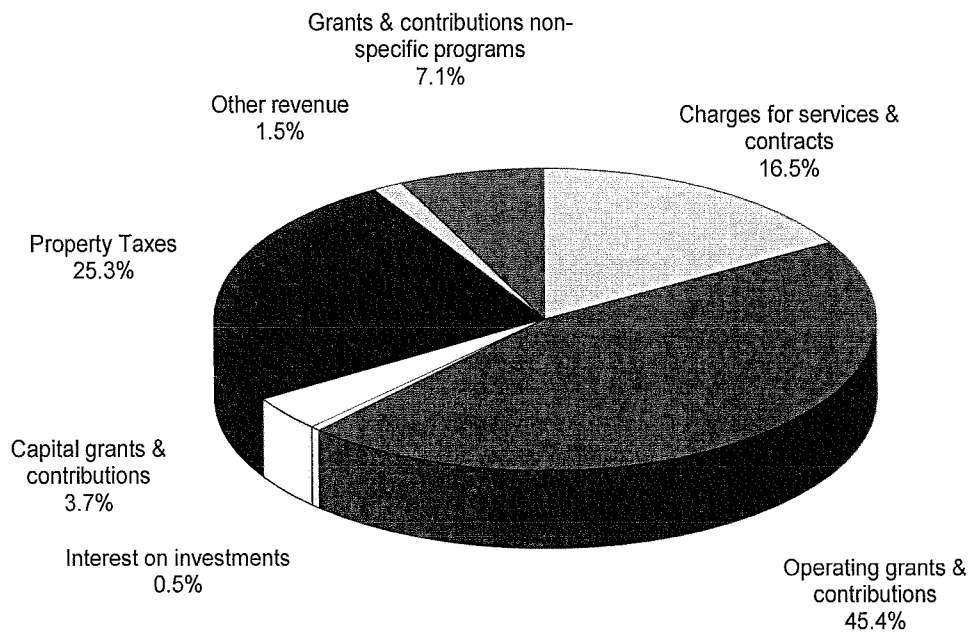
	Governmental		Business-Type		Total		Comparison	
	Activities		Activities				Difference	
	2013	2012	2013	2012	2013	2012		
REVENUE:								
Program revenues:								
Charges for services & contracts	\$ 6,778	\$ 9,641	\$ 5,748	\$ 4,647	\$ 12,526	\$ 14,288	\$ (1,762)	-12.33%
Operating grants & contributions	18,596	21,447	574	544	19,170	21,991	(2,821)	-12.83%
Capital grants & contributions	1,527	1,261	-	7	1,527	1,268	259	20.43%
General revenues:								
Property Taxes	10,362	10,156	-	-	10,362	10,156	206	2.03%
Grants & contributions not restricted								
to specific programs	2,897	5,038	-	-	2,897	5,038	(2,141)	-42.50%
Interest on investments	198	192	-	-	198	192	6	3.13%
Other revenue	611	1,336	-	-	611	1,336	(725)	-54.27%
Total revenue	40,969	49,071	6,322	5,198	47,291	54,269	(6,978)	-12.86%
EXPENDITURES:								
Current:								
General Government	7,118	7,379	-	-	7,118	7,379	(261)	-3.54%
Public Safety	11,442	11,568	-	-	11,442	11,568	(126)	-1.09%
Public Works	7,162	8,861	1,508	1,745	8,670	10,606	(1,936)	-18.25%
Health & Welfare	10,762	11,118	-	-	10,762	11,118	(356)	-3.20%
Culture & Recreation	4,806	4,692	353	349	5,159	5,041	118	2.34%
Conservation	-	-	-	-	-	-	-	0.00%
Community Development	173	90	-	-	173	90	83	92.22%
Intergovernmental	702	2,299	-	-	702	2,299	(1,597)	-69.46%
Sanitation	-	-	1,808	4,180	1,808	4,180	(2,372)	-56.75%
Transportation	-	-	763	788	763	788	(25)	-3.17%
Debt Service	913	972	-	-	913	972	(59)	-6.07%
Total expenditures	43,078	46,979	4,432	7,062	47,510	54,041	(6,531)	-12.09%
Change in net position before transfers	(2,109)	2,092	1,888	(1,866)	(221)	227	(448)	-197.36%
Transfers	(1,215)	(1,260)	1,215	1,260	-	-	-	0.00%
Change in net position	(3,324)	832	3,103	(606)	(221)	227	(448)	-197.36%
Net position beginning	117,218	116,385	35,163	35,769	152,381	152,154	227	
Prior period adjustment	-	-	(163)	-	(163)	-	(163)	
Net position beginning, restated	117,218	116,385	35,000	35,769	152,218	152,154	64	0.04%
Net position ending	\$ 113,894	\$ 117,218	\$ 38,103	\$ 35,163	\$ 151,997	\$ 152,381	\$ (221)	-0.25%

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2013

Expenses and Program Revenues - Governmental Activities

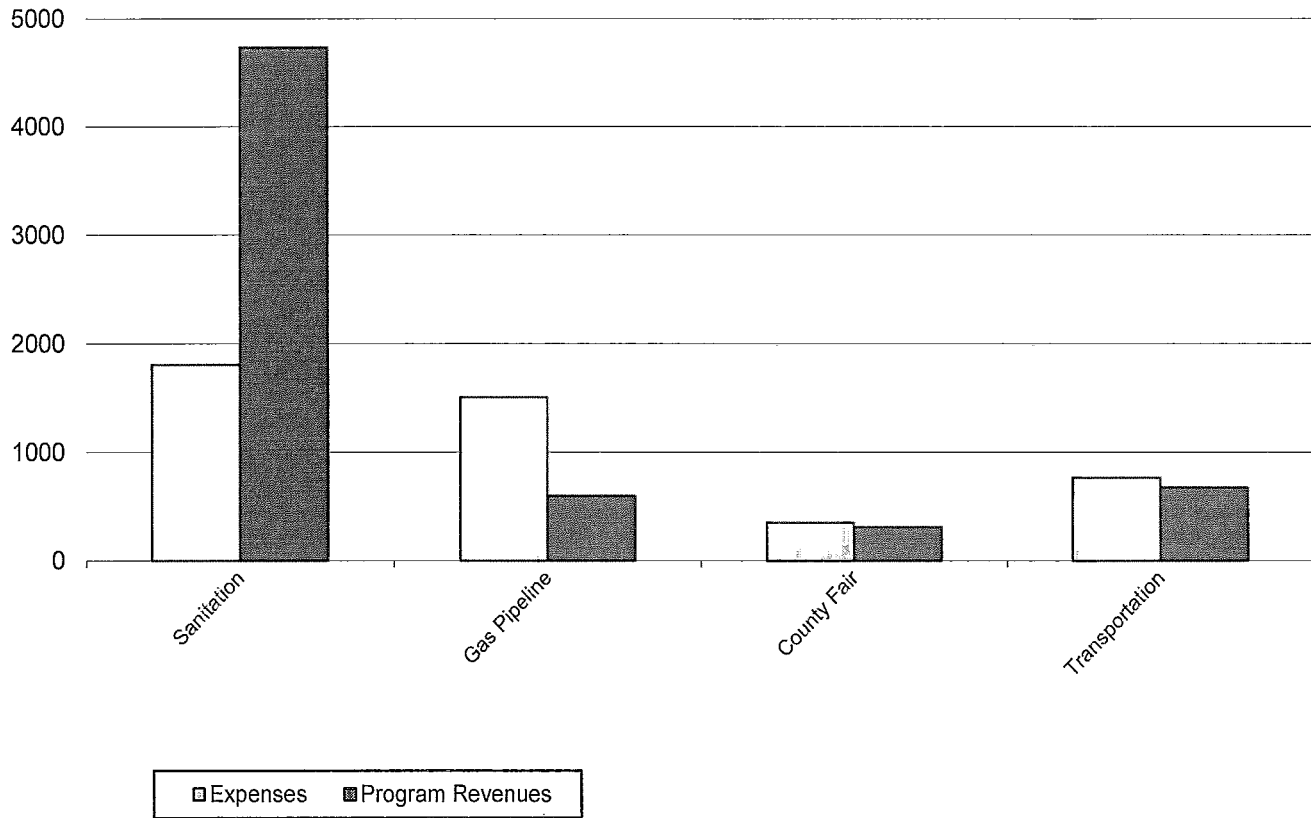


Revenues by Source - Governmental Activities

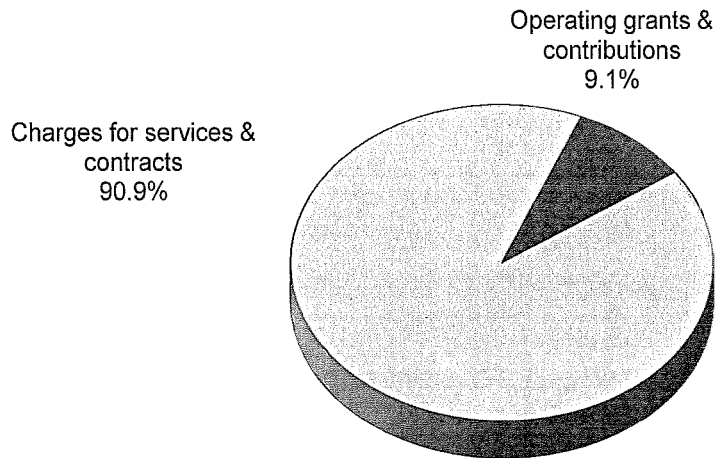


COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2013

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, 2013

Capital Assets and Debt Administration

Total capital debt, excluding general obligation bonds, decreased from \$217 to \$1.

Bonded Debt. At the end of the current fiscal year, Coos County had total bonded debt outstanding of \$17,150. 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, 2013 amounted to \$128,946 (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 Activities	Business-type Activities	Total
Land	\$ 5,375,477	\$ 708,291	\$ 6,083,768
Construction in progress	1,595,313	-	1,595,313
Buildings and building improvements	20,975,812	2,260,025	23,235,837
Infrastructure	100,913,681	52,254,064	153,167,745
Machinery and equipment	16,904,869	2,090,241	18,995,110
Improvements other than buildings	2,645,739	2,528,684	5,174,423
	\$ 148,410,891	\$ 59,841,305	\$ 208,252,196

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

Beginning in August 2010, Coos County began certifying assessments for several road local improvement districts (LIDs) at a total cost of \$374. Pursuant to ORS 371.605, local landowners had petitioned the County Board to form local improvement districts to finance road improvements on roads that are located within the County (roads as defined in ORS 371.605(4)). The districts were formed to allow property owners the ability to finance road improvements by spreading the cost over ten years via special assessments. One local improvement project was completed this fiscal year.

Dredging of the canal between North and South Tenmile Lakes was partially completed, and should be complete in the 2014-2015 fiscal year. A boat wash station was constructed at Tenmile Lakes in 2013. The purpose of this boat wash station is to help eliminate the possible contamination of Tenmile Lakes by invasive species. This project is being funded by the United States Forest Service through a Resource Advisory Committee (RAC) Grant and the Oregon State Marine Board's Invasive Species Program.

Work continues to bring the Coos County Pipeline into compliance with the US Army Corps of Engineers Consent Decree. Additionally, the engineering feasibility study for the Bandon lateral pipeline, as required by the November 1999 ballot measure, was completed, and a decision was made not to install the Bandon lateral pipeline due to cost. The surplus pipe and valves will be disposed of for the best possible price through a broker that specializes in such sales.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

There was much discussion in the budget process with regard to deferred maintenance of buildings, facilities and county owned infrastructure as well as management and timely replacement of vehicles and equipment. Planned maintenance and replacement of capital items is a necessary challenge that must be addressed to ensure the ability to provide essential county services in the future.

The incinerator at the Beaver Hill Disposal Site failed in January of 2012 and was deemed unrepairable. The assets at the site were disposed of as of June 30, 2012. The total amount of assets disposed was \$9.1 million (\$1.8 million, net of depreciation and earnings from salvaged materials). A permanent transfer site for the waste stream disposal was established. The DEQ approved closure of the Joe Ney and Bandon sites, and the Beaver Hill ash trench, Household Hazardous Waste, and implementation of a countywide franchise fee are all items being implemented at this time.

Mental Health, Public Health, and the Commission on Children and Families were restructured into the Health and Human Services Department. Jefferson Behavioral Health, of which the Mental Health Department was a member along with other Southern Oregon Counties, dissolved and its assets were distributed out to the member counties. This money is intended to be used for two purposes: first, to create an operating capital reserve for the Mental Health entity, and second, to purchase a ten (10) percent share in Western Oregon Advanced Health, a Coordinated Care Organization (CCO) that was created by Governor Kitzhaber's initiative to reform health care in Oregon and provide care to more people for less money. All Mental Health funding will now be flowing through the CCO, and the County feels that it is important to remain part of the decision making process.

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.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

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 \$6,400. The County placed \$2,000 in an operating contingency for 2013-2014.
- ◆ The General Fund's proposed expenditures total \$21,219, with resources other than taxes of \$16,799. The amount budgeted for current year taxes is \$4,420, based upon our full tax rate authority of \$1.0799 per thousand. The County provides property tax assessment/collection services for all taxing districts, such as schools, cities, ports, and other districts at a cost of \$1,772.
- ◆ 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 2013-2014 Forestry Department operating budget is \$604.

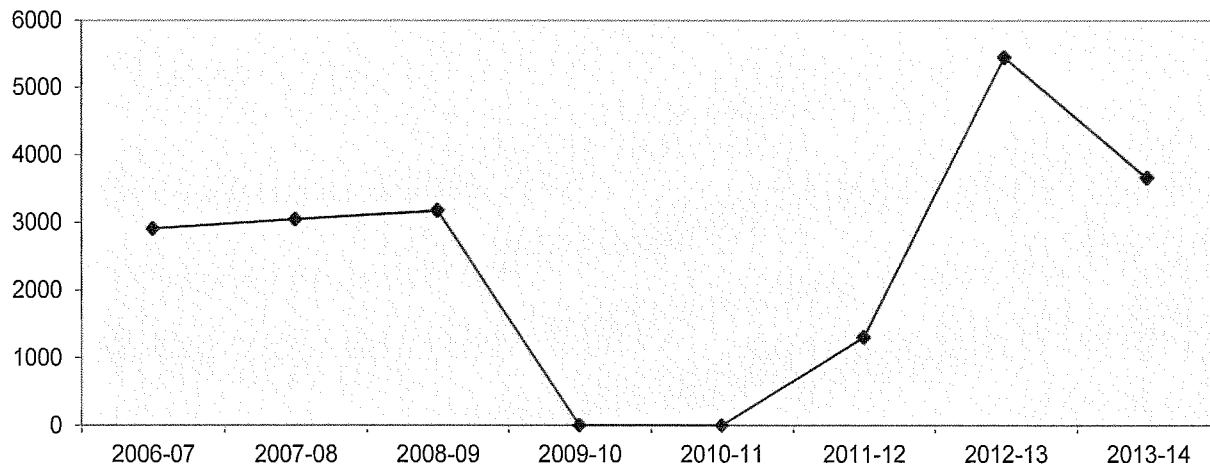
The Board of Commissioners chose not to offer a timber sale in calendar year 2009 due to a lack of market demand and poor stumpage prices. Timber sales were resumed in calendar years 2010, 2011, and 2012. Two additional units were pulled forward and sold in 2011 to take advantage of improved market conditions.

In order to conserve reserves for future years, no transfers to the General Fund were made in FY 2009-2010 or FY 2010-2011. \$5,445 was transferred from the County Forest Fund to the General Fund in FY 2012-2013 and \$3,660 was budgeted to be transferred in FY2013-2014. The County Forest Fund balance on June 30, 2013 was \$7,959.

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, 2013

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 2013 Congress reauthorized the Secure Rural Schools and Community Self-Determination Program Act (SRS) for one additional year. The reauthorized safety-net payment will be 95% of the amount received for federal fiscal year 2012.

In FY 2013-2014 the SRS net payment to the General Fund (Title I), for the Oregon & California (O&C) lands, will be \$1,763. The Title I payment to the General Fund will be deferred and budgeted for expenditure in FY 2014-2015. The County Road Department FY 2013-2014 SRS Title I payment, for the Coos Bay Wagon road lands and U.S. Forest Service, will be \$448.

There is looming potential legislation offered in both the House and Senate that may provide a long term funding solution to the lack of federal timber payments experienced by the O&C and Wagon Road Counties of Oregon. We continue to be hopeful that a solution will be reached in the near future.

- ◆ 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

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

- ◆ 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 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 2013-2014 total \$3,274 with resources other than taxes of \$207.
- ◆ The 4-H Extension Service District's adopted expenditures for 2013-2014 total \$533, with resources other than taxes of \$159. The Library and 4-H Extension Service Districts both intend to certify their total permanent tax rates in 2013-2014. 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 the 2013-2014 fiscal year.

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 POSITION
June 30, 2013

ASSETS	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 33,721,913	\$ 13,184,238	\$ 46,906,151
Receivables	3,267,858	188,636	3,456,494
Internal balances	(91,035)	91,035	-
Prepaid expenses	77,492	14,206	91,698
Inventories	366,195	-	366,195
Total current assets	<u>37,342,423</u>	<u>13,478,115</u>	<u>50,820,538</u>
Noncurrent assets:			
Prepaid bond insurance	-	63,006	63,006
Temporarily restricted assets-cash	1,036,660	-	1,036,660
Capital assets:			
Land	5,375,477	708,291	6,083,768
Construction in process	1,595,313	-	1,595,313
Other capital assets (net)	74,946,502	46,320,007	121,266,509
Total noncurrent assets	<u>82,953,952</u>	<u>47,091,304</u>	<u>130,045,256</u>
Total assets	<u>120,296,375</u>	<u>60,569,419</u>	<u>180,865,794</u>
LIABILITIES			
Current liabilities:			
Accounts payable	870,977	168,606	1,039,583
Payroll liabilities	619,007	15,660	634,667
Unearned revenue	2,185,290	52,618	2,237,908
Due to others on contract	32,038	-	32,038
Accrued interest payable	-	70,999	70,999
Compensated absences payable	1,322,181	78,001	1,400,182
Current portion of long-term liabilities:			
Landfill closure/postclosure care costs	-	807,900	807,900
Bonds	-	1,265,000	1,265,000
Capital leases	-	1,136	1,136
Total current liabilities	<u>5,029,493</u>	<u>2,459,920</u>	<u>7,489,413</u>
Noncurrent liabilities:			
Portions due or payable after one year:			
Bonds	-	15,885,000	15,885,000
Accrued other postemployment benefits obligation	1,372,982	51,562	1,424,544
Accrued landfill closure/postclosure care costs	-	4,070,000	4,070,000
Total noncurrent liabilities	<u>1,372,982</u>	<u>20,006,562</u>	<u>21,379,544</u>
Total liabilities	<u>6,402,475</u>	<u>22,466,482</u>	<u>28,868,957</u>
NET POSITION			
Net Investment in capital assets	81,917,292	29,877,162	111,794,454
Restricted for:			
Roads, sidewalks, footpaths	4,599,019	-	4,599,019
Debt service	137,250	-	137,250
Capital projects/Debt service	-	8,191,346	8,191,346
Health	9,666,106	-	9,666,106
Public safety	1,567,805	-	1,567,805
Other programs	1,723,735	117,441	1,841,176
Unrestricted	14,282,693	(83,012)	14,199,681
Total net position	<u>\$ 113,893,900</u>	<u>\$ 38,102,937</u>	<u>\$ 151,996,837</u>

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, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services & Contracts	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:							
General government	\$ 7,117,907	\$ 3,376,990	\$ 660,608	\$ -	\$ (3,080,309)	\$ -	\$ (3,080,309)
Public safety	11,441,975	885,544	3,335,813	-	(7,220,618)	-	(7,220,618)
Public works	7,162,235	161,107	4,442,818	1,317,093	(1,241,217)	-	(1,241,217)
Health and welfare	10,761,744	1,689,072	8,762,479	-	(310,193)	-	(310,193)
Community development	172,354	5,145	191,225	-	24,016	-	24,016
Culture and recreation	4,806,231	633,286	491,909	160,361	(3,520,675)	-	(3,520,675)
Intergovernmental	702,305	1,370	711,409	49,728	60,202	-	60,202
Interest and fiscal charges	912,782	25,591	-	-	(887,191)	-	(887,191)
Total governmental activities	43,077,533	6,778,105	18,596,261	1,527,182	(16,175,985)	-	(16,175,985)
Business-type activities:							
Sanitation	1,808,358	4,736,004	-	-	-	2,927,646	2,927,646
Gas pipeline	1,507,792	597,257	-	-	-	(910,535)	(910,535)
County fair	353,495	263,496	48,110	-	-	(41,889)	(41,889)
Transportation	763,698	150,327	525,769	-	-	(87,602)	(87,602)
Total business-type activities	4,433,343	5,747,084	573,879	-	-	1,887,620	1,887,620
Total government	\$ 47,510,876	\$ 12,525,189	\$ 19,170,140	\$ 1,527,182	(16,175,985)	1,887,620	(14,288,365)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					4,714,885	-	4,714,885
Property taxes, levied for 4-H & Extension services					383,902	-	383,902
Property taxes, levied for library services					3,147,859	-	3,147,859
Property taxes, levied for debt service					2,114,834	-	2,114,834
Foreclosed property sales					18,143	-	18,143
Grants and contributions not restricted to specific programs					2,896,696	-	2,896,696
Earnings on investments					198,355	-	198,355
Miscellaneous					703,157	-	703,157
Gain (loss) on disposition of capital assets					(110,446)	-	(110,446)
Total General Revenues					14,067,385	-	14,067,385
Transfers					(1,215,000)	1,215,000	-
Changes in net position					(3,323,600)	3,102,620	(220,980)
Net position - beginning of year					117,217,500	35,163,460	152,380,960
Prior period adjustment					-	(163,143)	(163,143)
Net position - beginning of year, restated					117,217,500	35,000,317	152,217,817
Net position - ending					\$ 113,893,900	\$ 38,102,937	\$ 151,996,837

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

**COOS COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

	General	Public Works	Mental Health	County Forest	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 8,969,414	\$ 3,974,504	\$ 6,804,964	\$ 7,970,891	\$ 6,002,140	\$ 33,721,913
Restricted cash	46,112	-	990,548	-	-	1,036,660
Receivables:						
Property taxes	563,975	-	-	-	670,563	1,234,538
Accounts	496,406	476,128	151,666	-	909,120	2,033,320
Due from other funds	76,903	225,203	-	-	-	302,106
Prepaid expenses	6,431	-	4,972	-	66,089	77,492
Inventories	-	366,195	-	-	-	366,195
Total assets	\$ 10,159,241	\$ 5,042,030	\$ 7,952,150	\$ 7,970,891	\$ 7,647,912	\$ 38,772,224
LIABILITIES						
Accounts payable	\$ 283,700	\$ 68,234	\$ 141,720	\$ 11,890	\$ 365,433	\$ 870,977
Payroll liabilities	619,007	-	-	-	-	619,007
Due to other funds	40,046	161,968	3,480	91	187,556	393,141
Unearned revenue	1,822,419	-	-	-	362,871	2,185,290
Due on contracts	32,038	-	-	-	-	32,038
Total liabilities	2,797,210	230,202	145,200	11,981	915,860	4,100,453
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue:						
Property taxes	490,284	-	-	-	582,832	1,073,116
Assessments	-	106,173	-	-	-	106,173
Total deferred inflows of resources	490,284	106,173	-	-	582,832	1,179,289
FUND BALANCES						
Nonspendable	6,431	366,195	4,972	-	66,089	443,687
Restricted	46,112	4,339,460	7,801,978	-	5,506,366	17,693,916
Committed	-	-	-	-	474,155	474,155
Assigned	-	-	-	7,958,910	102,610	8,061,520
Unassigned	6,819,204	-	-	-	-	6,819,204
Total fund balances	6,871,747	4,705,655	7,806,950	7,958,910	6,149,220	33,492,482
Total liabilities, deferred inflows of resources and fund balances	\$ 10,159,241	\$ 5,042,030	\$ 7,952,150	\$ 7,970,891	\$ 7,647,912	\$ 38,772,224

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 Position
June 30, 2013

Total fund balances - governmental funds \$ 33,492,482

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

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

Land	\$ 5,375,477	
Construction in process	1,595,313	
Depreciable assets	141,440,101	
Accumulated depreciation	<u>(66,493,599)</u>	
		81,917,292

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

Deferred revenue		1,179,289
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All liabilities are reported in the Statement of Net Position, however, if they are not due and payable in the current period, they are not recorded in the governmental funds:

Accrued other postemployment benefits	(1,372,982)	
Compensated absences	<u>(1,322,181)</u>	
		<u>(2,695,163)</u>

Total net position - governmental activities \$ 113,893,900

COOS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	General	Public Works	Mental Health	County Forest	Other Governmental Funds	Total
Revenues:						
Property taxes	\$ 4,713,672	\$ -	\$ -	\$ -	\$ 5,642,409	\$ 10,356,081
Taxes - other	196,220	-	-	-	98,275	294,495
Intergovernmental	5,162,092	4,772,622	6,998,993	-	5,178,368	22,112,075
Licenses, fees and permits	534,900	31,047	44,616	-	2,483,483	3,094,046
Charges for services	365,467	992,398	88,261	26,652	293,276	1,766,054
Timber sales	-	-	-	2,456,076	-	2,456,076
Fines and forfeitures	113,162	64,553	-	-	296,312	474,027
Interest on investments	59,787	22,869	38,571	36,731	40,392	198,350
Other	464,448	72,987	11,020	-	71,283	619,738
Total revenues	11,609,748	5,956,476	7,181,461	2,519,459	14,103,798	41,370,942
Expenditures:						
General government	5,527,274	-	-	477,500	904,035	6,908,809
Public safety	8,370,256	-	-	-	2,806,654	11,176,910
Public works	-	5,710,693	-	-	-	5,710,693
Health and welfare	398,887	-	7,339,813	-	2,930,164	10,668,864
Community development	-	-	-	-	172,353	172,353
Culture and recreation	-	-	-	-	4,480,583	4,480,583
Intergovernmental	-	-	-	-	702,288	702,288
Capital outlay	455,335	257,633	-	35,736	494,424	1,243,128
Debt service:						
Principal	215,000	-	-	-	1,215,000	1,430,000
Interest	8,717	-	-	-	904,800	913,517
Total expenditures	14,975,469	5,968,326	7,339,813	513,236	14,610,301	43,407,145
Excess (deficiency) of revenues over (under) expenditures	(3,365,721)	(11,850)	(158,352)	2,006,223	(506,503)	(2,036,203)
Other financing sources (uses):						
Sales of capital assets	-	724	-	-	-	724
Transfers in	5,553,135	-	300,000	-	885,717	6,738,852
Transfers out	(858,001)	-	-	(5,445,361)	(435,490)	(6,738,852)
Total other financing sources (uses)	4,695,134	724	300,000	(5,445,361)	450,227	724
Net change in fund balances	1,329,413	(11,126)	141,648	(3,439,138)	(56,276)	(2,035,479)
Fund balances at beginning of year	5,542,334	4,716,781	7,665,302	11,398,048	6,205,496	35,527,961
Fund balances at end of year	\$ 6,871,747	\$ 4,705,655	\$ 7,806,950	\$ 7,958,910	\$ 6,149,220	\$ 33,492,482

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, 2013

Total net change in fund balances - governmental funds \$ (2,035,479)

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	\$ (116,869)	
Special assessments	106,173	
		(10,696)

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 Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlay in the period.

Capital assets	1,568,954	
Depreciation	(2,855,439)	
		(1,286,485)

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	734	
Changes in compensated absences payable	(23,189)	
Change in accrued other postemployment benefits	(183,485)	
Principal payments on long-term debt	215,000	
		9,060

Change in net position of governmental activities \$ (3,323,600)

COOS COUNTY, OREGON
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
June 30, 2013

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,779,683	\$ 10,250,028	\$ 154,527	\$ 13,184,238
Receivable				
Grants	-	-	3,709	3,709
Accounts	161,747	21,693	1,487	184,927
Due from other funds	-	-	93,530	93,530
Prepays	-	-	14,206	14,206
Total current assets	2,941,430	10,271,721	267,459	13,480,610
Noncurrent assets:				
Prepaid bond insurance	-	63,006	-	63,006
Capital assets:				
Land	9,862	550,080	148,349	708,291
Other capital assets (net of accumulated depreciation)	1,848,263	43,528,940	942,804	46,320,007
Total noncurrent assets	1,858,125	44,142,026	1,091,153	47,091,304
Total assets	4,799,555	54,413,747	1,358,612	60,571,914
LIABILITIES				
Current liabilities:				
Accounts payable	94,217	53,502	20,887	168,606
Accrued payroll benefits	-	-	15,660	15,660
Compensated absences payable	43,751	-	34,250	78,001
Due to other funds	180	-	2,315	2,495
Accrued interest payable	-	70,999	-	70,999
Prepaid deposits, etc.	394	25,000	27,224	52,618
Current portion of long-term liabilities				
Bonds	-	1,265,000	-	1,265,000
Landfill closure/post-closure care cost	807,900	-	-	807,900
Capital lease	-	-	1,136	1,136
Total current liabilities	946,442	1,414,501	101,472	2,462,415
Noncurrent liabilities:				
Long-term liabilities (net of current portion)				
Bonds	-	15,885,000	-	15,885,000
Accrued other postemployment benefits obligation	45,059	-	6,503	51,562
Accrued landfill closure/post-closure care cost	4,070,000	-	-	4,070,000
Total noncurrent liabilities	4,115,059	15,885,000	6,503	20,006,562
Total liabilities	5,061,501	17,299,501	107,975	22,468,977
NET POSITION				
Net investment in capital assets	1,858,125	26,929,020	1,090,017	29,877,162
Restricted for:				
Capital projects/debt service	-	8,191,346	-	8,191,346
Special projects	117,441	-	-	117,441
Unrestricted	(2,237,512)	1,993,880	160,620	(83,012)
Total net position	\$ (261,946)	\$ 37,114,246	\$ 1,250,637	\$ 38,102,937

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 POSITION
ENTERPRISE FUNDS
For the Year Ended June 30, 2013

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
Operating revenues:				
Waste disposal fees	\$ 1,652,272	\$ -	\$ -	\$ 1,652,272
Operational charges	-	-	301,094	301,094
Pipeline operations	-	560,925	-	560,925
Intergovernmental revenues	-	-	573,879	573,879
Miscellaneous	15,761	-	113,384	129,145
Total operating revenues	<u>1,668,033</u>	<u>560,925</u>	<u>988,357</u>	<u>3,217,315</u>
Operating expenses:				
Personal service	538,110	-	411,510	949,620
Materials and services	1,095,774	467,439	559,459	2,122,672
Depreciation	174,474	1,044,754	146,088	1,365,316
Total operating expenses	<u>1,808,358</u>	<u>1,512,193</u>	<u>1,117,057</u>	<u>4,437,608</u>
Operating income (loss)	<u>(140,325)</u>	<u>(951,268)</u>	<u>(128,700)</u>	<u>(1,220,293)</u>
Other revenues (expense)				
Interest on investments	14,507	40,734	455	55,696
Change in estimated post closure cost	3,092,985	-	-	3,092,985
Gain (Loss) on disposition of capital assets	(39,522)	-	(1,112)	(40,634)
Interest expense	-	-	(134)	(134)
Total other revenues (expenses)	<u>3,067,970</u>	<u>40,734</u>	<u>(791)</u>	<u>3,107,913</u>
Income (loss) before transfers	<u>2,927,645</u>	<u>(910,534)</u>	<u>(129,491)</u>	<u>1,887,620</u>
Transfers from other funds (net)	<u>-</u>	<u>1,215,000</u>	<u>-</u>	<u>1,215,000</u>
Change in net assets	<u>2,927,645</u>	<u>304,466</u>	<u>(129,491)</u>	<u>3,102,620</u>
Net position at beginning of year	(3,189,591)	36,972,923	1,380,128	35,163,460
Prior period adjustment	<u>-</u>	<u>(163,143)</u>	<u>-</u>	<u>(163,143)</u>
Net position at beginning of year, restated	<u>(3,189,591)</u>	<u>36,809,780</u>	<u>1,380,128</u>	<u>35,000,317</u>
Net position at end of year	<u>\$ (261,946)</u>	<u>\$ 37,114,246</u>	<u>\$ 1,250,637</u>	<u>\$ 38,102,937</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, 2013

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
Cash flows from operating activities:				
Cash received from customers and users	\$ 1,697,355	\$ 560,931	\$ 408,240	\$ 2,666,526
Cash received from grantors			546,979	546,979
Cash paid to employees	(538,775)	-	(433,097)	(971,872)
Cash paid to suppliers	(1,129,904)	(491,790)	(549,804)	(2,171,498)
Net cash provided (used) by operating activities	<u>28,676</u>	<u>69,141</u>	<u>(27,682)</u>	<u>70,135</u>
Cash flows from noncapital financing activities:				
Interfund transfers (net)	-	1,215,000	-	1,215,000
Cash flows from capital and related financing activities:				
Principal payments on long-term debt	-	(1,215,000)	(1,050)	(1,216,050)
Interest paid	-	(4,401)	(134)	(4,535)
Proceeds from sale of capital assets	32,888	-	-	32,888
Capital expenditures	(8,130)	-	(5,692)	(13,822)
Net cash (used) by capital and related financing activities	<u>24,758</u>	<u>(1,219,401)</u>	<u>(6,876)</u>	<u>(1,201,519)</u>
Cash flows from investing activities:				
Interest received	14,507	40,734	455	55,696
Net increase (decrease) in cash and cash equivalents	67,941	105,474	(34,103)	139,312
Cash and cash equivalents at beginning of year	<u>2,711,742</u>	<u>10,144,554</u>	<u>188,630</u>	<u>13,044,926</u>
Cash and cash equivalents at end of year	<u>\$ 2,779,683</u>	<u>\$ 10,250,028</u>	<u>\$ 154,527</u>	<u>\$ 13,184,238</u>

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

Operating income (loss)	\$ (140,325)	\$ (951,268)	\$ (128,700)	\$ (1,220,293)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	174,474	1,044,754	146,088	1,365,316
Change in assets and liabilities:				
Accounts receivable	28,928	6	20,641	49,575
Prepays	5,257	5,887	(1,693)	9,451
Accounts payable	(43,417)	(30,238)	(10,239)	(83,894)
Assets donated for operations	-	-	(49,878)	(49,878)
OPEB liability	4,030	-	-	4,030
Compensated absences payable	(665)	-	-	(665)
Unearned revenue	394	-	(3,901)	(3,507)
Net cash provided (used) by operating activities	<u>\$ 28,676</u>	<u>\$ 69,141</u>	<u>\$ (27,682)</u>	<u>\$ 70,135</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, 2013

ASSETS	<u>Total Agency Funds</u>
Cash and cash equivalents	\$ 2,239,799
Receivables:	
Property/Taxes	<u>5,764,184</u>
Total assets	<u><u>\$ 8,003,983</u></u>
 LIABILITIES	
Due to other agencies and taxing districts	<u><u>\$ 8,003,983</u></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, 2013

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, who 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 and reported on the accrual basis. 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 Position 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. Inter-fund 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 used to account for the County's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

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.

An accrual for deferred revenue arises in the Governmental Funds Balance Sheet when potential revenue does not meet the earned and available criteria for recognition in the current period. Unavailable deferred revenue consists of uncollected property taxes not deemed available to finance operation of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue is recognized as soon as it is earned regardless of its availability. Thus, the deferred inflow created on the Governmental Fund Balance Sheet for unavailable deferred revenue is eliminated. Unearned revenues arise outside the scope of measurement focus and basis of accounting, such as when the City received resources before it has a legal claim to them. An example of this would be when grant monies are received prior to the incurrence of qualifying expenses.

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 and reports the financial resources of the County that are not accounted for and reported 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 and reports 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 and reports the County’s mental health operations. Primary revenue sources include State mental health grants and contracts.

County Forest Fund – This fund accounts for and reports 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 and reports 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 and reports 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 and report 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 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).

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 Position 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 Position 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 Position 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 Outflows/Inflows of Resources* - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently has no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of deferred inflows, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and local improvement district assessments.

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 cannot 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, the budget committee or the Board's 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, 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. *New Accounting Pronouncements*

For the year ended June 30, 2013, the County implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. This statement is effective for financial statement periods beginning after June 15, 2012. The statement will improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the requirements of Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

The County also implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* which is effective for financial statement periods beginning after December 5, 2011. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in accordance with Concepts Statement No. 4, *Elements of Financial Statements*. Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the County's financial statements.

Government-wide and proprietary fund net position is divided into three components:

Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position - consists of assets that are restricted by the county's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted – all other net position is reported in this category.

The County also implemented GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* (GASB 65) which is effective for financial statement periods beginning after December 15, 2012. The County chose to implement this standard early. GASB 65 amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets and liabilities. The objective is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). The implementation of GAB 65 resulted in reclassification of the non-current portion of property taxes receivable and the expenditure of previously deferred bond issuance cost in the Statement of Activities.

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 personnel 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, 2013 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. Schedule of Accountability

The County is required by State law to disclose the financial transactions of elected officials. This includes a schedule of cash receipts and turnovers for all elected officials with cash transactions.

	Assessor	Clerk	Comm- issioners	District Attorney	Sheriff	Surveyor	Treasurer	Total
Cash on hand July 1, 2012	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,250	\$ 50	\$ 52,780,164	\$ 52,800,739
Receipts	69,252	755,903	1,098,599	275,092	2,087,462	18,431	85,625,392	89,930,131
Turnovers and disbursements:								
To County Treasurer								
and to others	(69,252)	(755,903)	(1,098,599)	(275,092)	(2,087,412)	(18,431)	(88,243,571)	(92,548,260)
Cash on hand June 30, 2013	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 50,161,985	\$ 50,182,610
Consists of:								
Change and revolving funds	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 2,347	\$ 22,972
Deposits w/County Treasurer	-	-	-	-	-	-	50,159,638	50,159,638
Total	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 50,161,985	\$ 50,182,610

C. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations for the fiscal year ended June 30, 2013 in the following amounts:

Waste Reserve	
Transfers out	<u>\$ 190,236</u>
Nonmajor Funds:	
Child Support	
Transfers out	<u>\$ 11,096</u>

Deficit net position - The Waste Disposal Fund ended the year with deficit net asset balance of (\$261,946). 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.

D. Investment Limitations

With the consent of the governing body, local governments may place in the aggregate up to \$45,642,885 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 2012-13.

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, 2013. 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, 2013, the carrying amounts of the County's deposits in various financial institutions were \$2,831,296 and the bank balance was \$3,149,572. All deposits are held in the name of the County. Of the bank balance, \$588,701 was insured by the Federal Depository Insurance Corporation and \$2,823,175 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. Deposits in the Public Funds Collateralization Pool are not 100% guaranteed.

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, 2013, the County had invested \$41,043,132 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 an unrated external investment pool 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, 2013 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.

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, 2013

Investment Type	Maturities	Concentration Percentage of Portfolio	Fair Value
Local Government Investment Pool	1 day	89.0%	\$ 41,043,132
FHLB Discount Note	6 months	11.0%	5,097,711
		<u>100.0%</u>	<u>\$ 46,140,843</u>

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

Deposits and Investments:

Carrying amount of deposits	\$ 2,831,296
Carrying amount of investments	46,140,843
Cash on hand	24,367
Deposit in transit	149,444
Cash with fiscal agents (restricted)	<u>1,036,660</u>

Total deposits and investments \$ 50,182,610

Governmental Activities:

General Fund	\$ 9,015,526
Public Works Fund	3,974,504
Mental Health Fund	7,795,512
County Forest Fund	7,970,891
Governmental nonmajor funds in aggregate	<u>6,002,140</u>
	<u>34,758,573</u>

Business-Type Activities:

Waste Disposal Fund	2,779,683
Gas Pipeline Fund	10,250,028
Business-type non-major funds in aggregate	<u>154,527</u>
	<u>13,184,238</u>

Agency Fund:

Deposits and investments	<u>2,239,799</u>
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Total cash and cash equivalents \$ 50,182,610

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, 2013 were \$990,548.

The Association 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. The funds held in endowment at June 30, 2013 were \$46,112.

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

	Governmental Activities		Totals
	General Fund	Mental Health Fund	
Totals	\$ 46,112	\$ 990,548	\$ 1,036,660

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 \$60,633,596 for the fiscal year 2012-2013. For the 2012-2013 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, 2013:

	Balance 06/30/12	2012-13 Net Levy	Collections and Adjustments	Balance 06/30/13
2012-2013	\$ -	\$ 60,633,596	\$ 57,364,066	\$ 3,269,530
2011-2012	3,403,443	-	1,501,200	1,902,243
2010-2011	1,813,969	-	692,551	1,121,418
2009-2010	1,022,929	-	612,670	410,259
2008-2009	382,736	-	279,599	103,137
2007-2008	105,809	-	46,775	59,034
2006-2007	49,586	-	25,811	23,775
2005-2006	33,316	-	6,689	26,627
2004-2005 and prior	98,079	-	15,380	82,699
Total	\$ 6,909,867	\$ 60,633,596	\$ 60,544,741	\$ 6,998,722

At June 30, 2013, property tax allocation for receivables between funds consisted of the following:

General Fund	\$ 563,975
Bond Debt Fund	249,274
Library Service District	375,569
4-H & Extension Service District	45,720
Subtotal	1,234,538
Trust and Agency Fund	5,764,184
	\$ 6,998,722

D. Deferred Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. In addition, governmental funds and proprietary funds report deferred inflows in connection with resources that have been received but not yet earned. At June 30, 2013, the various components of deferred outflows of revenue consisted of property taxes receivable in the General Fund and non-major funds of \$490,284 and \$582,832, respectively, and assessments receivable in the Public Works Fund of \$106,173.

E. Fund Balance

The County 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:

	General Fund	Public Works Fund	Mental Health Fund	County Forest Fund	Nonmajor Funds	Total
Nonspendable:						
Inventory	\$ -	\$ 366,195	\$ -	\$ -	\$ -	\$ 366,195
Prepaid exp.	6,431	-	4,972	-	66,089	77,492
Restricted:						
Debt service	-	-	-	-	137,250	137,250
Forest management	46,112	-	-	-	-	46,112
General and administrative	-	-	-	-	671,896	671,896
Public safety services	-	-	-	-	1,567,805	1,567,805
Health services	-	-	7,801,978	-	1,864,128	9,666,106
Economic dev. services	-	-	-	-	1,005,727	1,005,727
Roads, sidewalks, footpaths	-	4,339,460	-	-	259,559	4,599,019
Committed:						
Public safety	-	-	-	-	122,551	122,551
Health services	-	-	-	-	186,000	186,000
Parks	-	-	-	-	98,218	98,218
Industrial development	-	-	-	-	67,386	67,386
Assigned:						
Forest management	-	-	-	7,958,910	-	7,958,910
Public safety services	-	-	-	-	425	425
Planning services	-	-	-	-	102,185	102,185
Unassigned:						
	6,819,204	-	-	-	-	6,819,204
Total fund balance	\$ 6,871,747	\$ 4,705,655	\$ 7,806,950	\$ 7,958,910	\$ 6,149,219	\$ 33,492,481

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	\$ 5,553,135	\$ 858,001
Mental Health Fund	300,000	-
County Forest Fund	-	5,445,361
Non-major governmental funds	<u>885,717</u>	<u>435,490</u>
Total Governmental Activities Transfers	<u>6,738,852</u>	<u>6,738,852</u>
Non-budgetary transfers		
Gas Pipeline Fund	1,215,000	-
Non-major governmental funds	<u>-</u>	<u>1,215,000</u>
Total non-budgetary transfers	<u>1,215,000</u>	<u>1,215,000</u>
Total transfers	<u><u>\$ 7,953,852</u></u>	<u><u>\$ 7,953,852</u></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 \$1,215,000 non-budgetary adjustment to transfers has been made to reduce the principal outstanding in the Gas Pipeline 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	\$ 76,903	\$ 40,046
Public Works Fund	225,203	161,968
Mental Health Fund	-	3,480
County Forest Fund	-	91
Nonmajor governmental funds	<u>-</u>	<u>187,556</u>
Total Governmental Activities Transfers	<u>302,106</u>	<u>393,141</u>
Business-type Activities:		
Nonmajor funds	<u>93,530</u>	<u>2,495</u>
	<u><u>\$ 395,636</u></u>	<u><u>\$ 395,636</u></u>

G. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013 were as follows:

Governmental Activities:	Balance 06/30/12	Additions	Deletions	Transfer	Balance 06/30/13
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,102,400	\$ 98,513	\$ (34,381)	\$ 208,945	\$ 5,375,477
Construction in progress	824,488	1,262,810	(4,048)	(487,937)	1,595,313
Total non-depreciable capital assets	5,926,888	1,361,323	(38,429)	(278,992)	6,970,790
<u>Depreciable capital assets</u>					
Buildings	20,794,082	149,997	(103,613)	135,346	20,975,812
Improvements	2,636,870	35,923	(27,054)	-	2,645,739
Equipment & vehicles	16,704,183	638,764	(790,669)	352,591	16,904,869
Infrastructure	100,779,914	347,212	(4,500)	(208,945)	100,913,681
Total depreciable capital assets	140,915,049	1,171,896	(925,836)	278,992	141,440,101
<u>Less accumulated depreciation for:</u>					
Buildings	(8,064,397)	(400,128)	36,783	-	(8,427,742)
Improvements	(886,402)	(63,438)	27,054	-	(922,786)
Equipment & vehicles	(10,030,078)	(836,598)	709,081	-	(10,157,595)
Infrastructure	(44,657,283)	(2,330,219)	2,026	-	(46,985,476)
Total accumulated depreciation	(63,638,160)	(3,630,383)	774,944	-	(66,493,599)
Total depreciable capital assets (net)	77,276,889	(2,458,487)	(150,892)	278,992	74,946,502
Governmental Activities capital assets (net)	\$ 83,203,777	\$ (1,097,164)	\$ (189,321)	\$ -	\$ 81,917,292

Business-type activities:	Balance 06/30/12	Additions	Deletions	Balance 06/30/13
<i>Non-depreciable capital assets:</i>				
Land	\$ 708,291	\$ -	\$ -	\$ 708,291
<i>Depreciable capital assets</i>				
Buildings	2,275,879	-	(15,854)	2,260,025
Improvements	2,528,684	-	-	2,528,684
Equipment & vehicles	2,198,537	66,900	(175,196)	2,090,241
Infrastructure	52,254,064	-	-	52,254,064
Total depreciable capital assets	59,257,164	66,900	(191,050)	59,133,014
<i>Less accumulated depreciation for:</i>				
Buildings	(1,108,251)	(54,781)	6,695	(1,156,337)
Improvements	(1,551,908)	(76,198)	-	(1,628,106)
Equipment & vehicles	(1,234,117)	(189,040)	107,633	(1,315,524)
Infrastructure	(7,667,743)	(1,045,297)	-	(8,713,040)
Total accumulated depreciation	(11,562,019)	(1,365,316)	114,328	(12,813,007)
Total depreciable capital assets (net)	47,695,145	(1,298,416)	(76,722)	46,320,007
Business-Type activities capital assets (net)	\$ 48,403,436	\$ (1,298,416)	\$ (76,722)	\$ 47,028,298

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

Governmental activities:	
General government	\$ 589,086
Public safety	287,345
Health & welfare	87,654
Public works	2,469,823
Culture and recreation	196,475
Total depreciation expense - governmental activities	\$ 3,630,383
Business-type activities:	
Sanitation	\$ 174,474
County fair	29,489
Gas pipeline	1,044,754
Transportation	116,599
Total depreciation expense - business-type activities	\$ 1,365,316

H. Capital Leases

The County has entered into various lease agreements for financing the acquisition of 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. At year-end only one copier remained under lease. The following is an analysis of capital assets leased under capital leases as of June 30, 2013:

	<u>Business-Type Activities</u>
Machinery and equipment	\$ 5,922
Less: Accumulated depreciation	<u>(2,369)</u>
Total	<u>\$ 3,553</u>

Total capital lease principal and interest payments during 2012-2013 were \$1,050 and \$134, respectively. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

<u>Fiscal Year</u>	<u>Business-type Activities</u>
2013-2014	\$ 1,185
Less: amount representing interest	<u>(49)</u>
Present value of minimum lease payments	<u>\$ 1,136</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 2012-2013, principal and interest payments were \$215,000 and \$8,717 respectively. The payments were made from the General Fund and at year-end this note was paid in full.

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. The payments are paid from the Bonded Debt Fund, from taxes levied for debt service.

Future general obligation bonded debt requirements as of June 30, 2013 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	\$ 10,525,000	\$ 2,965,584	\$ 13,490,584

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. The payments are paid from the Bonded Debt Fund, from taxes levied for debt service.

Future general obligation bonded debt requirements as of June 30, 2013 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	\$ 6,625,000	\$ 2,583,037	\$ 9,208,037

Changes in long-term debt are as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013	Amounts due Within one year
<u>Governmental Fund Types</u>					
Notes payable	\$ 215,000	\$ -	\$ 215,000	\$ -	\$ -
<u>Business-Type Funds</u>					
Obligations under capital lease	\$ 2,186	\$ -	\$ 1,050	\$ 1,136	\$ 1,136
General obligation bonds	18,365,000	-	1,215,000	17,150,000	1,265,000
Total proprietary fund types	\$ 18,367,186	\$ -	\$ 1,216,050	\$ 17,151,136	\$ 1,266,136

Changes in other long-term liabilities:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013	Amounts due Within one year
<u>Governmental Fund Types</u>					
Compensated absences	\$ 1,298,992	\$ 1,380,762	\$ 1,357,573	\$ 1,322,181	\$ 1,322,181
Other post employment benefits	1,189,497	183,485	-	1,372,982	-
Total governmental fund types	\$ 2,488,489	\$ 1,564,247	\$ 1,357,573	\$ 2,695,163	\$ 1,322,181
<u>Business-Type Funds</u>					
Compensated absences	\$ 80,834	\$ 74,496	\$ 77,329	\$ 78,001	\$ 78,001
Closure/post closure costs	7,970,885	-	3,092,985	4,877,900	807,900
Other post employment benefits	46,854	4,708	-	51,562	-
Total proprietary fund types	\$ 8,098,573	\$ 79,204	\$ 3,170,314	\$ 5,007,463	\$ 885,901

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 15.3 percent. The rate for OPSRP general service and police and fire employees is 13.66 percent and 16.37 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, 2012 actuarial valuation using the entry age normal method. This actuarial valuation is the most recent available at the time of this report. The actuarial assumptions included (a) 7.75 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 8 percent in 2013 to 4.7 percent in 2083. 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.

Employer Contributions			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 2,456,134	100%	-
2012	\$ 2,906,366	100%	-
2013	\$ 2,845,468	100%	-

B. Other Postemployment Benefits

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.

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 one named retiree until Medicare eligibility.

Negotiated Direct Health Insurance Payments

Plan Description

This program is administered by the County. The County contributes a specific negotiated amount toward the monthly premium for the participant.

Funding Policy. This plan is funded on the pay-as-you-go basis. Benefits paid by the County during the year totaled \$6,675, for the one remaining employee covered under the plan.

Health Insurance Continuation

Plan Description

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. The plan is administered by the County.

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 2012/2013, the County contributed \$55,742 consisting of retiree payments. The County has elected not to prefund the actuarially determined future cost amount of the preceding two plans of \$2,214,366.

The required monthly premium rate contributions of the plan members were as follows for the year ended June 30, 2013.

	<u>Per employee</u>	<u>Per couple</u>	<u>Composite</u>
Pacific Source:			
Plan 8667	\$ 566	\$ 1,279	\$ 1,327
Plan 8968	518	1,171	1,214
Oregon Teamsters Employers Trust			
Plan Sewer/Waste	N/A	N/A	\$ 1,284
Plan S/W Mgmt.	N/A	N/A	1,256
Other	N/A	N/A	1,231

Applicable to Both Other Post Employment Benefit Programs

In the July 1, 2012 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, 2013

Annual required contribution	\$ 273,834
Interest on prior year net OPEB obligation	49,454
Adjustment to ARC	<u>(53,779)</u>
Annual OPEB cost	269,509
Explicit benefit payments	(7,745)
Implicit benefit payments	<u>(73,572)</u>
Increase in net OPEB obligation	188,192
Net OPEB obligation - beginning of year	<u>1,236,351</u>
Net OPEB obligation - end of year	<u><u>\$ 1,424,543</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 three fiscal years was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>OPEB Cost Contributed</u>	<u>Contribution Made</u>	<u>Net OPEB Obligation</u>
06/30/11	\$ 334,864	18%	\$ 60,724	\$ 274,140
06/30/12	\$ 343,842	29%	\$ 99,056	\$ 244,786
06/30/13	\$ 269,509	30%	\$ 81,317	\$ 188,192

Funded Status and Funding Progress. As of July 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits for the year ending June 30, 2012 was \$2,214,366, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$2,214,366.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>AAL</u>	<u>UAAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>% of Covered Payroll</u>
07/01/08	\$ -	\$ 3,970,499	\$ 3,970,499	0.0%	\$ 13,105,003	30.3%
07/01/10	\$ -	\$ 2,691,579	\$ 2,691,579	0.0%	\$ 12,861,136	20.9%
07/01/12	\$ -	\$ 2,214,366	\$ 2,214,366	0.0%	\$ 12,342,285	17.9%

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 method used is the Projected Unit Credit Actuarial Cost Method.

The actuarial assumptions included a 4 percent discount rate for unfunded liabilities, and annual cost increase rates for medical, prescription drugs, and vision premiums of: 8.0 percent in the fiscal year 2013-14, 7.5 percent in the second year, 7.0 percent in the third year, 6.5 percent in the fourth year, then grading down from 6.4 percent to 5.0 percent over the next 15 years. 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 6/30/13	Estimated Remaining Life (Years)
Bandon disposal site	\$ 906,000	100%	\$ 906,000	-
Beaver Hill disposal site (municipal solid waste)	2,181,900	100%	2,181,900	-
Joe Ney disposal site (construction demolition)	1,790,000	100%	1,790,000	-
	<u>\$ 4,877,900</u>		<u>\$ 4,877,900</u>	

During the year, the Beaver Hill disposal site became inactive and an interim cover was put in place on the trench. It continues to function as a transfer station for solid waste. The Joe Ney disposal site became inactive in summer 2013. The Bandon disposal is inactive, and has a soil cover.

The above dollar amounts are based on the estimated cost to perform all closure and post-closure in 2012-2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. During 2012-2013, landfill closure and post-closure care costs were \$131,613. The liability for special projects, closure and post closure costs was adjusted from \$7,907,885 to \$4,877,900, resulting in a decrease in the liability.

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, 2013, the cash and investment balance in the reserve fund is \$2,058,924. 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 2012-13 fiscal year, various departments within the County had several contracts and grants outstanding.

The significant contracts are shown below:

<u>Fund</u>	<u>Description</u>	<u>Original Contract Grant Amount</u>	<u>Outstanding Contract Amount</u>
General Fund	Planning software	\$ 33,660	\$ 29,700
	Fixed asset software	4,675	2,338
		<u>\$ 38,335</u>	<u>\$ 32,038</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, Southwest Advisory Committee on Transportation, Council on Forest Trust Land, Oregon and California Counties, Enterprise Zone, CCD Business Development Corp., Jefferson Behavioral Health, Western Oregon Advanced 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 In October 2013 Congress passed a one year reauthorization of the Secure Rural Schools and Community Self-Determination Program Act (SRS) as part of HR 537 Helium Stewardship Act. The reauthorized safety-net payment is expected to be 95% of the amount received for federal fiscal year 2012 and will be paid during the 2013-2014 fiscal year.

Timber dependent counties continue to work 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.

I. Restatement of Beginning Net Position

The District's beginning Net Position for the Business-Type Activities have been restated to reflect the implementation of GASB Statement No 65. Under GASB Statement No. 65, debt issuance costs are expensed, rather than amortized over the life of the debt instrument. The amount of unamortized debt issuance costs at the beginning of the year was \$163,143. Due to this change in accounting policy beginning Net Position at July 1, 2012 was overstated.

The overall effect of implementing the new accounting policy was to decrease beginning Net Position at June 30, 2012 by \$163,143.

J. Subsequent Events

As of June 30th, 2013, Jefferson Behavioral Health (JBH), which provides managed mental health services for member counties, closed its doors. Coordinated Care Organizations (CCOs) were formed in August 2013, and JBH started its transition plan. Coos County Mental Health became a part of the CCO Western Oregon Advanced Health (WOAH). The final distribution of the assets from JBH will be sent to the counties in November 2013, with Coos County's share of the distribution being approximately \$990,000. Of this, \$320,000 will be used to buy into WOAH. Functions previously performed by JBH will be performed mainly by Coos County Mental Health and WOAH.

**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 and report all financial resources except those required to be accounted for and reported 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 and reports the general operating expenditures of the County not accounted for or reported elsewhere.

Special Revenue Funds:

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt or capital projects.

Public Works Fund – The Public Works Fund accounts for and reports 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 and reports 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 Fund accounts for and reports the management of the County's 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, 2013

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 4,582,841	\$ 4,582,841	\$ 4,713,672	\$ 130,831
Taxes - other	177,100	177,100	196,220	19,120
Intergovernmental	5,413,201	5,667,330	5,162,092	(505,238)
Licenses, fees, and permits	541,807	541,807	534,900	(6,907)
Charges for services	366,779	366,779	365,467	(1,312)
Fines and forfeiture	90,450	90,450	113,162	22,712
Interest on investments	50,000	50,000	59,787	9,787
Other	248,549	248,728	464,448	215,720
Total revenues	11,470,727	11,725,035	11,609,748	(115,287)
Expenditures:				
General Government:				
Assessor	1,108,225	1,108,404	980,927	127,477
Board of Commissioners/Admin.	343,227	343,227	329,371	13,856
Board of Commissioners/Infor. Tech.	865,699	865,699	638,050	227,649
Clerk/Records	530,607	530,607	509,486	21,121
Community Service	98,625	98,625	39,071	59,554
County Counsel	284,179	284,179	201,119	83,060
District Attorney/Prosecution	891,152	904,567	857,372	47,195
Human Resources	264,413	264,413	199,957	64,456
Maintenance	692,805	692,805	659,113	33,692
Surveyor	276,916	276,916	268,760	8,156
Treasurer and Tax	522,728	522,728	464,602	58,126
Miscellaneous nondepartmental:				
Personnel services	1,000,000	1,000,000	45,039	954,961
Materials and services	1,462,619	1,402,050	541,694	860,356
Payment of advanced taxes	20,000	20,000	17,480	2,520
Capital outlay	956,200	956,200	230,568	725,632
Debt service	223,816	223,816	223,717	99
Total General Government	\$ 9,541,211	\$ 9,494,236	\$ 6,206,326	\$ 3,287,910

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, 2013

	Budget		Actual	Variance
	Original	Final		
Health and Welfare:				
District Attorney/Medical Examiner	\$ 188,886	\$ 188,886	\$ 183,800	\$ 5,086
District Attorney/Support Enforcement	136,278	136,278	123,325	12,953
Veterans	104,146	104,146	91,762	12,384
Total Health and Welfare	<u>429,310</u>	<u>429,310</u>	<u>398,887</u>	<u>30,423</u>
Public Safety:				
Juvenile	949,184	949,184	779,181	170,003
Sheriff/Criminal	2,874,681	3,153,964	2,732,600	421,364
Sheriff/Dunes	314,571	314,571	285,420	29,151
Sheriff/Jail	4,725,498	4,725,498	4,293,294	432,204
Sheriff/Marine	300,126	300,126	279,761	20,365
Total Public Safety	<u>9,164,060</u>	<u>9,443,343</u>	<u>8,370,256</u>	<u>1,073,087</u>
Contingency	<u>2,256,550</u>	<u>2,256,550</u>	-	<u>2,256,550</u>
Total expenditures	<u>21,391,131</u>	<u>21,623,439</u>	<u>14,975,469</u>	<u>6,647,970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,920,404)</u>	<u>(9,898,404)</u>	<u>(3,365,721)</u>	<u>6,532,683</u>
Other financing sources (uses)				
Transfer in	5,546,939	5,546,939	5,553,135	6,196
Transfer out	<u>(1,052,535)</u>	<u>(1,074,535)</u>	<u>(858,001)</u>	<u>216,534</u>
Total other financing sources	<u>4,494,404</u>	<u>4,472,404</u>	<u>4,695,134</u>	<u>222,730</u>
Net change in fund balance	(5,426,000)	(5,426,000)	1,329,413	6,755,413
Fund balance at beginning of year	<u>5,426,000</u>	<u>5,426,000</u>	<u>5,542,334</u>	<u>116,334</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,871,747</u>	<u>\$ 6,871,747</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, 2013

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,403,252	\$ 5,403,252	\$ 4,772,622	\$ (630,630)
Licenses, fees, and permits	50,000	50,000	31,047	(18,953)
Charges for services	1,131,076	1,131,076	992,398	(138,678)
Interest on investments	16,000	16,000	22,869	6,869
Fines and forfeitures	39,845	39,845	64,553	24,708
Other	5,000	5,000	72,987	67,987
Total revenues	<u>6,645,173</u>	<u>6,645,173</u>	<u>5,956,476</u>	<u>(688,697)</u>
Expenditures:				
Public Works:				
Road Survey	30,306	37,126	35,597	1,529
Road Maintenance	3,546,485	3,508,661	3,451,773	56,888
Fleet Services	1,433,693	1,496,497	1,244,689	251,808
Capital Projects	1,640,708	1,640,708	892,174	748,534
ORC Road Maintenance	361,076	361,076	344,093	16,983
Contingency	4,150,000	4,118,200	-	4,118,200
Total expenditures	<u>11,162,268</u>	<u>11,162,268</u>	<u>5,968,326</u>	<u>5,193,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,517,095)</u>	<u>(4,517,095)</u>	<u>(11,850)</u>	<u>4,505,245</u>
Other financing sources (uses):				
Sale of capital assets	<u>1,000</u>	<u>1,000</u>	<u>724</u>	<u>(276)</u>
Net change in fund balance	(4,516,095)	(4,516,095)	(11,126)	4,504,969
Fund balance at beginning of year	<u>4,516,095</u>	<u>4,516,095</u>	<u>4,716,781</u>	<u>200,686</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,705,655</u>	<u>\$ 4,705,655</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, 2013

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,961,417	\$ 4,961,417	\$ 6,998,993	\$ 2,037,576
Licenses, fees, and permits	20,000	20,000	44,616	24,616
Interest on investments	25,000	25,000	38,571	13,571
Charges for services	95,000	95,000	88,261	(6,739)
Other	-	-	11,020	11,020
Total revenues	<u>5,101,417</u>	<u>5,101,417</u>	<u>7,181,461</u>	<u>2,080,044</u>
Expenditures:				
Health and Welfare:				
Local Administration	2,514,879	2,514,879	1,310,890	1,203,989
Mental Health Services	8,308,692	8,308,692	5,729,982	2,578,710
Alcohol and Drug Services	327,240	327,240	298,941	28,299
Contingency	1,050,606	1,050,606	-	1,050,606
Total expenditures	<u>12,201,417</u>	<u>12,201,417</u>	<u>7,339,813</u>	<u>4,861,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,100,000)</u>	<u>(7,100,000)</u>	<u>(158,352)</u>	<u>6,941,648</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>(6,800,000)</u>	<u>(6,800,000)</u>	<u>141,648</u>	<u>6,941,648</u>
Fund balance at beginning of year	<u>6,800,000</u>	<u>6,800,000</u>	<u>7,665,302</u>	<u>865,302</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,806,950</u>	<u>\$ 7,806,950</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, 2013

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 26,652	\$ 6,652
Timber sales	1,897,744	1,897,744	2,456,076	558,332
Interest on investments	40,000	40,000	36,731	(3,269)
Other	-	-	-	-
Total revenues	<u>1,957,744</u>	<u>1,957,744</u>	<u>2,519,459</u>	<u>561,715</u>
Expenditures:				
General Government:				
Personnel services	241,170	241,170	238,173	2,997
Materials and services	322,318	322,318	239,327	82,991
Capital outlay	36,000	36,000	35,736	264
Contingency	7,101,422	7,101,422	-	7,101,422
Total expenditures	<u>7,700,910</u>	<u>7,700,910</u>	<u>513,236</u>	<u>7,187,674</u>
Excess (deficiency) of revenues over (under) expenditures	(5,743,166)	(5,743,166)	2,006,223	7,749,389
Other financing sources (uses):				
Transfer out	<u>(5,445,361)</u>	<u>(5,445,361)</u>	<u>(5,445,361)</u>	<u>-</u>
Net change in fund balance	(11,188,527)	(11,188,527)	(3,439,138)	7,749,389
Fund balance at beginning of year	<u>11,188,527</u>	<u>11,188,527</u>	<u>11,398,048</u>	<u>209,521</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,958,910</u>	<u>\$ 7,958,910</u>

See auditor's report.

SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt or capital projects.

Animal Control Fund – This fund accounts for and reports 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 and reports 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 and reports 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 (SCINT) Fund – This fund is used to account for and reports 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 and reports 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 and reports resources that are receipted from tax revenues, federal apportionments, and interest allocations. Expenditures are distributing to County school districts.

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.

Debt Service Funds:

Bonded Debt Fund – This fund is used to account for and report on 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, 2013**

	Animal Control	Public Health	Planning	Law Library	County Parks	Community Corrections
ASSETS						
Cash and cash equivalents	\$ 188,536	\$ 738,382	\$ 80,185	\$ 161,594	\$ 24,491	\$ 920,723
Prepaid expenses	307	45,254	259	28	10,249	4,554
Receivables:						
Property taxes	-	-	-	-	-	-
Accounts	30	180,555	26,743	-	288,633	1,276
Total assets	<u>\$ 188,873</u>	<u>\$ 964,191</u>	<u>\$ 107,187</u>	<u>\$ 161,622</u>	<u>\$ 323,373</u>	<u>\$ 926,553</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 8,032	\$ 18,059	\$ 4,431	\$ 6,791	\$ 64,445	\$ 14,479
Unearned revenue	-	88,673	-	-	136,107	-
Due to other funds	2,848	710	312	-	14,354	4,434
Total liabilities	<u>10,880</u>	<u>107,442</u>	<u>4,743</u>	<u>6,791</u>	<u>214,906</u>	<u>18,913</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	-	-	-
Fund balances:						
Nonspendable	307	45,254	259	28	10,249	4,554
Restricted	55,135	625,495	-	154,803	-	903,086
Committed	122,551	186,000	-	-	98,218	-
Assigned	-	-	102,185	-	-	-
Total fund balances	<u>177,993</u>	<u>856,749</u>	<u>102,444</u>	<u>154,831</u>	<u>108,467</u>	<u>907,640</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 188,873</u>	<u>\$ 964,191</u>	<u>\$ 107,187</u>	<u>\$ 161,622</u>	<u>\$ 323,373</u>	<u>\$ 926,553</u>

See auditor's report.

Crime Victim Assistance	SCINT	Children and Families	Economic Development	PL 106-393 Title III	Liquor Enforcement	Administrative Grants	County School
\$ 8,195	\$ 54,516	\$ 367,620	\$ 1,008,104	\$ 129,738	\$ 425	\$ 94,917	\$ 89
65	4,616	112	-	-	27	-	-
-	-	-	-	-	-	-	-
18,082	77,565	39,859	-	-	-	93,530	-
<u>\$ 26,342</u>	<u>\$ 136,697</u>	<u>\$ 407,591</u>	<u>\$ 1,008,104</u>	<u>\$ 129,738</u>	<u>\$ 452</u>	<u>\$ 188,447</u>	<u>\$ 89</u>
\$ 784	\$ 19,921	\$ 66,390	\$ 2,377	\$ -	\$ -	\$ -	\$ 89
-	-	64,647	-	-	-	-	-
-	3,071	126	-	32,680	-	93,530	-
784	22,992	131,163	2,377	32,680	-	93,530	89
-	-	-	-	-	-	-	-
65	4,616	112	-	-	27	-	-
25,493	109,089	276,316	1,005,727	97,058	-	94,917	-
-	-	-	-	-	-	-	-
-	-	-	-	-	425	-	-
25,558	113,705	276,428	1,005,727	97,058	452	94,917	-
<u>\$ 26,342</u>	<u>\$ 136,697</u>	<u>\$ 407,591</u>	<u>\$ 1,008,104</u>	<u>\$ 129,738</u>	<u>\$ 452</u>	<u>\$ 188,447</u>	<u>\$ 89</u>

**COOS COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012**

	Footpaths and Bicycle Trails	Industrial Development	Public Health Title XIX	Mental Health Title XIX	County Family Mediation	911 South
ASSETS						
Cash and cash equivalents	\$ 256,210	\$ 67,386	\$ 342,172	\$ 308,385	\$ 46,760	\$ 405,008
Prepaid expenses	-	-	-	-	-	618
Receivables:						
Taxes receivable	-	-	-	-	-	-
Accounts receivable	3,349	-	-	96,637	-	80,253
Total assets	\$ 259,559	\$ 67,386	\$ 342,172	\$ 405,022	\$ 46,760	\$ 485,879
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,367	\$ 7,709
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	2,550
Total liabilities	-	-	-	-	1,367	10,259
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	-	-	-
Fund balances:						
Nonspendable	-	-	-	-	-	618
Restricted	259,559	-	342,172	405,022	45,393	475,002
Committed	-	67,386	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	259,559	67,386	342,172	405,022	45,393	475,620
Total liabilities, deferred inflows of resources and fund balances	\$ 259,559	\$ 67,386	\$ 342,172	\$ 405,022	\$ 46,760	\$ 485,879

See auditor's report.

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
\$ 62,986	\$ 51,263	\$ 169,409	\$ 5,693	118,503	\$ 54,293	\$ 231,977	\$ 104,580	\$ 6,002,140
-	-	-	-	-	-	-	-	66,089
-	-	-	-	-	375,569	45,720	249,274	670,563
398	67	2,143	-	-	-	-	-	909,120
<u>\$ 63,384</u>	<u>\$ 51,330</u>	<u>\$ 171,552</u>	<u>\$ 5,693</u>	<u>\$ 118,503</u>	<u>\$ 429,862</u>	<u>\$ 277,697</u>	<u>\$ 353,854</u>	<u>\$ 7,647,912</u>
\$ -	\$ 499	\$ 7,220	\$ -	\$ -	\$ 54,293	\$ 88,547	\$ -	\$ 365,433
-	-	-	-	73,444	-	-	-	362,871
-	-	295	-	32,646	-	-	-	187,556
-	499	7,515	-	106,090	54,293	88,547	-	915,860
-	-	-	-	-	326,492	39,736	216,604	582,832
-	-	-	-	-	-	-	-	66,089
63,384	50,831	164,037	5,693	12,413	49,077	149,414	137,250	5,506,366
-	-	-	-	-	-	-	-	474,155
-	-	-	-	-	-	-	-	102,610
<u>63,384</u>	<u>50,831</u>	<u>164,037</u>	<u>5,693</u>	<u>12,413</u>	<u>49,077</u>	<u>149,414</u>	<u>137,250</u>	<u>6,149,220</u>
<u>\$ 63,384</u>	<u>\$ 51,330</u>	<u>\$ 171,552</u>	<u>\$ 5,693</u>	<u>\$ 118,503</u>	<u>\$ 429,862</u>	<u>\$ 277,697</u>	<u>\$ 353,854</u>	<u>\$ 7,647,912</u>

COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	Animal Control	Public Health	Planning	Law Library	County Parks	Community Corrections
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-	-
Intergovernmental	-	1,074,649	42,130	-	652,270	937,211
Licenses, fees, and permits	27,278	1,041,367	180,013	17	523,021	139,441
Charges for services	52,465	32,412	463	-	83,645	-
Fines and forfeitures	-	-	-	59,989	-	101,254
Interest on investments	735	3,574	321	919	558	5,628
Other revenue	18,940	2,143	-	-	16,074	1,249
Total revenues	<u>99,418</u>	<u>2,154,145</u>	<u>222,927</u>	<u>60,925</u>	<u>1,275,568</u>	<u>1,184,783</u>
Expenditures:						
General government	-	-	238,055	61,377	-	-
Public safety	224,077	-	-	-	-	1,123,003
Health and welfare	-	2,299,947	-	-	-	-
Community development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	939,788	-
Intergovernmental	-	-	-	-	-	-
Capital outlay	-	-	-	-	277,982	21,462
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>224,077</u>	<u>2,299,947</u>	<u>238,055</u>	<u>61,377</u>	<u>1,217,770</u>	<u>1,144,465</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(124,659)</u>	<u>(145,802)</u>	<u>(15,128)</u>	<u>(452)</u>	<u>57,798</u>	<u>40,318</u>
Other financing sources (uses):						
Transfers in	172,500	193,466	43,390	-	22,000	-
Transfers out	-	-	-	(10,000)	-	(48,650)
Total other financing sources (uses)	<u>172,500</u>	<u>193,466</u>	<u>43,390</u>	<u>(10,000)</u>	<u>22,000</u>	<u>(48,650)</u>
Net change in fund balance	47,841	47,664	28,262	(10,452)	79,798	(8,332)
Fund balances at beginning of year	<u>130,152</u>	<u>809,085</u>	<u>74,182</u>	<u>165,283</u>	<u>28,669</u>	<u>915,972</u>
Fund balances at end of year	<u>\$ 177,993</u>	<u>\$ 856,749</u>	<u>\$ 102,444</u>	<u>\$ 154,831</u>	<u>\$ 108,467</u>	<u>\$ 907,640</u>

See auditor's report.

<u>Crime Victim Assistance</u>	<u>SCINT</u>	<u>Children and Families</u>	<u>Economic Development</u>	<u>PI 106-393 Title III</u>	<u>Liquor Enforcement</u>	<u>Administrative Grants</u>	<u>County School</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	88,387
71,513	353,427	411,308	191,225	80,113	-	592,266	74,860
-	-	-	5,145	-	-	-	-
-	-	-	-	-	-	1,300	-
46,471	33,436	-	-	-	2,881	-	70
71	238	1,250	5,670	1,233	76	662	220
-	15,320	7,317	-	-	-	9,792	-
<u>118,055</u>	<u>402,421</u>	<u>419,875</u>	<u>202,040</u>	<u>81,346</u>	<u>2,957</u>	<u>604,020</u>	<u>163,537</u>
112,139	-	-	-	213,107	-	-	-
-	374,269	-	-	-	32,754	-	-
-	-	352,125	-	-	-	-	-
-	-	-	172,353	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	538,751	163,537
-	24,950	-	-	-	-	49,728	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>112,139</u>	<u>399,219</u>	<u>352,125</u>	<u>172,353</u>	<u>213,107</u>	<u>32,754</u>	<u>588,479</u>	<u>163,537</u>
5,916	3,202	67,750	29,687	(131,761)	(29,797)	15,541	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,916	3,202	67,750	29,687	(131,761)	(29,797)	15,541	-
19,642	110,503	208,678	976,040	228,819	30,249	79,376	-
<u>\$ 25,558</u>	<u>\$ 113,705</u>	<u>\$ 276,428</u>	<u>\$ 1,005,727</u>	<u>\$ 97,058</u>	<u>\$ 452</u>	<u>\$ 94,917</u>	<u>\$ -</u>

COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Year Ended June 30, 2012

	Footpaths and Bicycle Trails	Industrial Development	Public Health Title XIX	Mental Health Title XIX	County Family Mediation	911 South
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-	-
Intergovernmental	39,132	-	-	-	35,750	372,690
Licenses, fees, and permits	-	-	-	243,966	-	90
Charges for services	-	-	-	-	-	122,966
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	1,278	365	1,923	2,189	203	2,347
Other revenue	-	-	-	-	-	448
Total revenues	<u>40,410</u>	<u>365</u>	<u>1,923</u>	<u>246,155</u>	<u>35,953</u>	<u>498,541</u>
Expenditures:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,086,853
Health and welfare	-	-	-	-	16,535	-
Community development	86,000	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>86,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,535</u>	<u>1,086,853</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,590)</u>	<u>365</u>	<u>1,923</u>	<u>246,155</u>	<u>19,418</u>	<u>(588,312)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	454,361
Transfers out	-	-	(13,453)	(300,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(13,453)</u>	<u>(300,000)</u>	<u>-</u>	<u>454,361</u>
Net change in fund balance	(45,590)	365	(11,530)	(53,845)	19,418	(133,951)
Fund balances at beginning of year	<u>305,149</u>	<u>67,021</u>	<u>353,702</u>	<u>458,867</u>	<u>25,975</u>	<u>609,571</u>
Fund balances at end of year	<u>\$ 259,559</u>	<u>\$ 67,386</u>	<u>\$ 342,172</u>	<u>\$ 405,022</u>	<u>\$ 45,393</u>	<u>\$ 475,620</u>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,146,093	\$ 383,659	\$ 2,112,657	\$ 5,642,409
-	-	-	-	-	5,512	672	3,704	98,275
-	-	-	39,253	210,571	-	-	-	5,178,368
23,241	99,503	200,401	-	-	-	-	-	2,483,483
-	-	25	-	-	-	-	-	293,276
-	-	-	-	-	23,728	2,892	25,591	296,312
273	162	1,250	117	1,371	1,849	1,254	4,656	40,392
-	-	-	-	-	-	-	-	71,283
<u>23,514</u>	<u>99,665</u>	<u>201,676</u>	<u>39,370</u>	<u>211,942</u>	<u>3,177,182</u>	<u>388,477</u>	<u>2,146,608</u>	<u>14,103,798</u>
-	68,786	-	-	210,571	-	-	-	904,035
-	-	-	-	-	-	-	-	2,887,368
-	-	261,557	-	-	-	-	-	2,930,164
-	-	-	-	-	-	-	-	258,353
-	-	-	-	-	3,172,526	368,269	-	4,758,565
-	-	-	-	-	-	-	-	752,016
-	-	-	-	-	-	-	1,215,000	1,215,000
-	-	-	-	-	-	-	904,800	904,800
<u>-</u>	<u>68,786</u>	<u>261,557</u>	<u>-</u>	<u>210,571</u>	<u>3,172,526</u>	<u>368,269</u>	<u>2,119,800</u>	<u>14,610,301</u>
<u>23,514</u>	<u>30,879</u>	<u>(59,881)</u>	<u>39,370</u>	<u>1,371</u>	<u>4,656</u>	<u>20,208</u>	<u>26,808</u>	<u>(506,503)</u>
-	-	-	-	-	-	-	-	885,717
-	-	(14,263)	(49,124)	-	-	-	-	(435,490)
<u>-</u>	<u>-</u>	<u>(14,263)</u>	<u>(49,124)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,227</u>
<u>23,514</u>	<u>30,879</u>	<u>(74,144)</u>	<u>(9,754)</u>	<u>1,371</u>	<u>4,656</u>	<u>20,208</u>	<u>26,808</u>	<u>(56,276)</u>
<u>39,870</u>	<u>19,952</u>	<u>238,181</u>	<u>15,447</u>	<u>11,042</u>	<u>44,421</u>	<u>129,206</u>	<u>110,442</u>	<u>6,205,496</u>
<u>\$ 63,384</u>	<u>\$ 50,831</u>	<u>\$ 164,037</u>	<u>\$ 5,693</u>	<u>\$ 12,413</u>	<u>\$ 49,077</u>	<u>\$ 149,414</u>	<u>\$ 137,250</u>	<u>\$ 6,149,220</u>

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ANIMAL CONTROL FUND
For the Year Ended June 30, 2013

	Final Budget	Actual	Variance
Revenues:			
Licenses, fees, and permits	\$ 28,500	\$ 27,278	\$ (1,222)
Charges for services	37,000	52,465	15,465
Interest on investments	500	735	235
Other	12,000	18,940	6,940
Total revenues	<u>78,000</u>	<u>99,418</u>	<u>21,418</u>
Expenditures:			
Public Safety:			
Personnel services	184,543	164,525	20,018
Materials and services	105,047	59,552	45,495
Capital outlay	62,182	-	62,182
Total expenditures	<u>351,772</u>	<u>224,077</u>	<u>127,695</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(273,772)</u>	<u>(124,659)</u>	<u>149,113</u>
Other financing sources (uses):			
Transfer in	<u>172,500</u>	<u>172,500</u>	<u>-</u>
Net change in fund balance	(101,272)	47,841	149,113
Fund balance at beginning of year	<u>101,272</u>	<u>130,152</u>	<u>28,880</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 177,993</u>	<u>\$ 177,993</u>

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, 2013

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,495,028	\$ 1,074,649	\$ (420,379)
Licenses, fees, and permits	963,715	1,041,367	77,652
Charges for services	149,472	32,412	(117,060)
Interest on investments	2,000	3,574	1,574
Other	1,700	2,143	443
Total revenues	<u>2,611,915</u>	<u>2,154,145</u>	<u>(457,770)</u>
Expenditures:			
Public Health:			
CCPH / Health	2,607,681	2,299,947	307,734
CCPH / Primary Care	337,415	-	337,415
Contingency	88,976	-	88,976
Total expenditures	<u>3,034,072</u>	<u>2,299,947</u>	<u>734,125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(422,157)</u>	<u>(145,802)</u>	<u>(276,355)</u>
Other financing sources (uses):			
Transfer in	<u>335,265</u>	<u>193,466</u>	<u>(141,799)</u>
Net change in fund balance	(86,892)	47,664	134,556
Fund balance at beginning of year	<u>272,892</u>	<u>809,085</u>	<u>536,193</u>
Fund balance at end of year	<u>\$ 186,000</u>	<u>\$ 856,749</u>	<u>\$ 670,749</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PLANNING FUND
For the Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 36,000	\$ 42,130	\$ 6,130
Licenses, fees, and permits	202,122	180,013	(22,109)
Charges for services	10,000	463	(9,537)
Interest on investments	2,500	321	(2,179)
	<u>250,622</u>	<u>222,927</u>	<u>(27,695)</u>
Total revenues			
Expenditures:			
General Government:			
Personal services	212,964	161,286	51,678
Materials and services	79,801	76,769	3,032
Contingency	4,802	-	4,802
	<u>297,567</u>	<u>238,055</u>	<u>59,512</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(46,945)</u>	<u>(15,128)</u>	<u>31,817</u>
Other financing sources (uses):			
Transfer in	<u>43,390</u>	<u>43,390</u>	<u>-</u>
Net change in fund balance	(3,555)	28,262	31,817
Fund balance at beginning of year	<u>91,555</u>	<u>74,182</u>	<u>(17,373)</u>
Fund balance at end of year	<u>\$ 88,000</u>	<u>\$ 102,444</u>	<u>\$ 14,444</u>

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ -	\$ 17	\$ 17
Fines and forfeitures	60,000	59,989	(11)
Interest on investments	800	919	119
	<hr/>	<hr/>	<hr/>
Total revenues	60,800	60,925	125
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personnel services	3,408	1,516	1,892
Materials and services	63,204	59,861	3,343
Contingency	146,588	-	146,588
	<hr/>	<hr/>	<hr/>
Total expenditures	213,200	61,377	151,823
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(152,400)	(452)	151,948
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfer out	(10,000)	(10,000)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(162,400)	(10,452)	151,948
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	162,400	165,283	2,883
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 154,831</u>	<u>\$ 154,831</u>

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, 2013

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 928,325	\$ 652,270	\$ (276,055)
Licenses, fees, and permits	460,250	523,021	62,771
Charges for services	207,729	83,645	(124,084)
Interest on investments	500	558	58
Other	-	16,074	16,074
Total revenues	1,596,804	1,275,568	(321,236)
Expenditures:			
Culture and Recreation:			
Personnel services	671,497	564,227	107,270
Materials and services	390,693	375,561	15,132
Capital outlay	813,729	277,982	535,747
Debt service	26,885	-	26,885
Total expenditures	1,902,804	1,217,770	685,034
Excess (deficiency) of revenues over (under) expenditures	(306,000)	57,798	363,798
Other financing sources (uses):			
Issuance of debt	196,000	-	(196,000)
Transfer in	22,000	22,000	-
Total other financing sources	218,000	22,000	(196,000)
Net change in fund balance	(88,000)	79,798	167,798
Fund balance at beginning of year	110,000	28,669	(81,331)
Fund balance at end of year	\$ 22,000	\$ 108,467	\$ 86,467

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 934,737	\$ 937,211	\$ 2,474
Licenses, fees, and permits	125,000	139,441	14,441
Fines and forfeitures	70,000	101,254	31,254
Interest on investments	5,000	5,628	628
Other	-	1,249	1,249
	<hr/>	<hr/>	<hr/>
Total revenues	1,134,737	1,184,783	50,046
	<hr/>	<hr/>	<hr/>
Expenditures:			
Public Safety:			
Personnel services	1,119,729	897,449	222,280
Materials and services	339,773	225,554	114,219
Capital outlay	22,000	21,462	538
Contingency	522,492	-	522,492
	<hr/>	<hr/>	<hr/>
Total expenditures	2,003,994	1,144,465	859,529
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(869,257)	40,318	909,575
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfer out	(53,550)	(48,650)	4,900
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(922,807)	(8,332)	914,475
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	922,807	915,972	(6,835)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 907,640	\$ 907,640
	<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
CRIME VICTIM ASSISTANCE FUND
For the Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 70,842	\$ 71,513	\$ 671
Fines and forfeitures	46,471	46,471	-
Interest on investments	50	71	21
	<u>117,363</u>	<u>118,055</u>	<u>692</u>
Total revenues			
Expenditures:			
General Government:			
Personnel services	107,194	106,034	1,160
Materials and services	12,169	6,105	6,064
	<u>119,363</u>	<u>112,139</u>	<u>7,224</u>
Total expenditures			
Net change in fund balance	(2,000)	5,916	7,916
Fund balance at beginning of year	2,000	19,642	17,642
Fund balance at end of year	<u>\$ -</u>	<u>\$ 25,558</u>	<u>\$ 25,558</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, 2013

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,556,315	\$ 353,427	\$ (1,202,888)
Fines and forfeitures	-	33,436	33,436
Interest on investments	200	238	38
Other	-	15,320	15,320
Total revenues	<u>1,556,515</u>	<u>402,421</u>	<u>(1,154,094)</u>
Expenditures:			
Public safety:			
Personnel services	1,154,029	198,227	955,802
Materials and services	398,755	176,042	222,713
Capital outlay	32,308	24,950	7,358
Total expenditures	<u>1,585,092</u>	<u>399,219</u>	<u>1,185,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,577)</u>	<u>3,202</u>	<u>31,779</u>
Other financing sources (uses):			
Issuance of debt	40,000	-	40,000
Transfers out	(40,000)	-	40,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>80,000</u>
Net change in fund balance	<u>(28,577)</u>	<u>3,202</u>	<u>31,779</u>
Fund balance at beginning of year	<u>28,577</u>	<u>110,503</u>	<u>81,926</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 113,705</u>	<u>\$ 113,705</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 408,427	\$ 411,308	\$ 2,881
Interest on investments	1,500	1,250	(250)
Other	1,000	7,317	6,317
	<u>410,927</u>	<u>419,875</u>	<u>8,948</u>
Total revenues			
Expenditures:			
Health and Welfare:			
Personnel services	142,138	109,877	32,261
Materials and services	341,533	242,248	99,285
	<u>483,671</u>	<u>352,125</u>	<u>131,546</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(72,744)	67,750	140,494
Fund balance at beginning of year	<u>72,744</u>	<u>208,678</u>	<u>135,934</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 276,428</u>	<u>\$ 276,428</u>

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 200,000	\$ 191,225	\$ (8,775)
Licenses, fees, and permits	5,400	5,145	(255)
Interest on investments	-	5,670	5,670
	<u>205,400</u>	<u>202,040</u>	<u>(3,360)</u>
Total revenues			
Expenditures:			
Community Development:			
Materials and services	496,153	172,353	323,800
Capital outlay	674,608	-	674,608
	<u>1,170,761</u>	<u>172,353</u>	<u>998,408</u>
Total expenditures			
Net change in fund balance	(965,361)	29,687	995,048
Fund balance at beginning of year	<u>965,361</u>	<u>976,040</u>	<u>10,679</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,005,727</u>	<u>\$ 1,005,727</u>

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 137,073	\$ 80,113	\$ (56,960)
Interest on investments	2,000	1,233	(767)
	<u>139,073</u>	<u>81,346</u>	<u>(57,727)</u>
Total revenues			
Expenditures:			
General Government:			
Materials and services	367,705	213,107	154,598
	<u>(228,632)</u>	<u>(131,761)</u>	<u>96,871</u>
Net change in fund balance			
Fund balance at beginning of year	228,632	228,819	187
Fund balance at end of year	<u>\$ -</u>	<u>\$ 97,058</u>	<u>\$ 97,058</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Fines and forfeitures	\$ 20,500	\$ 2,881	\$ (17,619)
Interest on investments	200	76	(124)
	<hr/>	<hr/>	<hr/>
Total revenues	20,700	2,957	(17,743)
Expenditures:			
Public Safety:			
Personnel services	43,550	32,596	10,954
Materials and services	275	158	117
Contingency	4,175	-	4,175
	<hr/>	<hr/>	<hr/>
Total expenditures	48,000	32,754	15,246
Net change in fund balance	(27,300)	(29,797)	(2,497)
Fund balance at beginning of year	27,300	30,249	2,949
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 452	\$ 452
	<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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,897,948	\$ 592,266	\$ (1,305,682)
Interest on investments	700	662	(38)
Charges for services	10,000	1,300	(8,700)
Other	<u>10,000</u>	<u>9,792</u>	<u>(208)</u>
Total revenues	<u>1,918,648</u>	<u>604,020</u>	<u>(1,314,628)</u>
Expenditures:			
Intergovernmental:			
Materials and services	1,199,520	538,751	660,769
Capital outlay	<u>874,407</u>	<u>49,728</u>	<u>824,679</u>
Total expenditures	<u>2,073,927</u>	<u>588,479</u>	<u>1,485,448</u>
Net change in fund balance	(155,279)	15,541	170,820
Fund balance at beginning of year	<u>155,279</u>	<u>79,376</u>	<u>(75,903)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 94,917</u>	<u>\$ 94,917</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Taxes - other	\$ 90,100	\$ 88,387	\$ (1,713)
Intergovernmental	130,000	74,860	(55,140)
Fines and forfeitures	5,000	70	(4,930)
Interest on investments	500	220	(280)
	<hr/>	<hr/>	<hr/>
Total revenues	225,600	163,537	(62,063)
	<hr/>	<hr/>	<hr/>
Expenditures:			
Intergovernmental:			
For support of schools	225,600	163,537	62,063
	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 40,000	\$ 39,132	\$ (868)
Interest on investments	1,000	1,278	278
	<u>41,000</u>	<u>40,410</u>	<u>(590)</u>
Total revenues			
Expenditures:			
Public Works:			
Materials and services	30,000	-	30,000
Capital outlay	318,422	86,000	232,422
	<u>348,422</u>	<u>86,000</u>	<u>262,422</u>
Total expenditures			
Net change in fund balance	(307,422)	(45,590)	261,832
Fund balance at beginning of year	<u>307,422</u>	<u>305,149</u>	<u>(2,273)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 259,559</u>	<u>\$ 259,559</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	\$ 300	\$ 365	\$ 65
Expenditures:			
Community Development:			
Materials and services	57,263	-	57,263
Capital outlay	10,000	-	10,000
Total expenditures	67,263	-	67,263
Net change in fund balance	(66,963)	365	67,328
Fund balance at beginning of year	66,963	67,021	58
Fund balance at end of year	<u>\$ -</u>	<u>\$ 67,386</u>	<u>\$ 67,386</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	\$ 1,500	\$ 1,923	\$ 423
Expenditures:			
Health & Welfare			
Contingency	122,394	-	122,394
Excess (deficiency) of revenues over (under) expenditures	(120,894)	1,923	122,817
Other financing sources (uses):			
Transfer out	(153,634)	(13,453)	140,181
Net change in fund balance	(274,528)	(11,530)	262,998
Fund balance at beginning of year	274,528	353,702	79,174
Fund balance at end of year	<u>\$ -</u>	<u>\$ 342,172</u>	<u>\$ 342,172</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 168,000	\$ 243,966	\$ 75,966
Interest on investments	1,500	2,189	689
	<hr/>	<hr/>	<hr/>
Total revenues	169,500	246,155	76,655
Expenditures:			
Health & Welfare:			
Contingency	186,011	-	186,011
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(16,511)	246,155	262,666
Other financing sources (uses):			
Transfer out	(300,000)	(300,000)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(316,511)	(53,845)	262,666
Fund balance at beginning of year	316,511	458,867	142,356
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 405,022</u>	<u>\$ 405,022</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 40,000	\$ 35,750	\$ (4,250)
Interest on investments	100	203	103
	<hr/>	<hr/>	<hr/>
Total revenues	40,100	35,953	(4,147)
Expenditures:			
Health and Welfare:			
Materials and services	69,750	16,535	53,215
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(29,650)	19,418	49,068
Fund balance at beginning of year	<hr/>	<hr/>	<hr/>
	29,650	25,975	(3,675)
Fund balance at end of year	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ 45,393	\$ 45,393

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 379,991	\$ 372,690	\$ (7,301)
Licenses, fees, and permits	200	90	(110)
Charges for services	122,968	122,966	(2)
Interest on investments	-	2,347	2,347
Other	-	448	448
	<hr/>	<hr/>	<hr/>
Total revenues	503,159	498,541	(4,618)
	<hr/>	<hr/>	<hr/>
Expenditures:			
Public Safety:			
Dispatch Division	693,863	631,002	62,861
PSAP Division	508,167	455,851	52,316
Contingency	543,194	-	543,194
	<hr/>	<hr/>	<hr/>
Total expenditures	1,745,224	1,086,853	658,371
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(1,242,065)	(588,312)	653,753
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfer in	570,895	454,361	116,534
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(671,170)	(133,951)	537,219
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	671,170	609,571	(61,599)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 475,620	\$ 475,620
	<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
COUNTY CLERK RECORDS FUND
For the Year Ended June 30, 2013

	Final Budget	Actual	Variance
Revenues:			
Licenses, fees, and permits	\$ 20,000	\$ 23,241	\$ 3,241
Interest on investments	300	273	(27)
Total revenues	<u>20,300</u>	<u>23,514</u>	<u>3,214</u>
Expenditures:			
General Government:			
Materials and services	5,000	-	5,000
Contingency	74,083	-	74,083
Total expenditures	<u>79,083</u>	<u>-</u>	<u>79,083</u>
Net change in fund balance	(58,783)	23,514	82,297
Fund balance at beginning of year	<u>58,783</u>	<u>39,870</u>	<u>(18,913)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 63,384</u>	<u>\$ 63,384</u>

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 90,271	\$ 99,503	\$ 9,232
Interest on investments	50	162	112
Other revenues	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total revenues	<u>91,321</u>	<u>99,665</u>	<u>8,344</u>
Expenditures:			
General Government:			
Personnel services	65,543	62,022	3,521
Materials and services	10,787	6,764	4,023
Contingency	<u>15,991</u>	<u>-</u>	<u>15,991</u>
Total expenditures	<u>92,321</u>	<u>68,786</u>	<u>23,535</u>
Net change in fund balance	(1,000)	30,879	31,879
Fund balance at beginning of year	<u>1,000</u>	<u>19,952</u>	<u>18,952</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 50,831</u>	<u>\$ 50,831</u>

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 228,047	\$ 200,401	\$ (27,646)
Charges for services	-	25	25
Interest on investments	1,000	1,250	250
Other revenues	1,000	-	(1,000)
	<hr/>	<hr/>	<hr/>
Total revenues	230,047	201,676	(28,371)
Expenditures:			
Health and Welfare:			
Personnel services	235,295	214,060	21,235
Materials and services	59,336	29,860	29,476
Capital outlay	18,000	17,637	363
Contingency	163,291	-	163,291
	<hr/>	<hr/>	<hr/>
Total expenditures	475,922	261,557	214,365
Excess (deficiency) of revenues over (under) expenditures	(245,875)	(59,881)	185,994
Other financing sources (uses):			
Transfers out	(15,881)	(14,263)	1,618
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(261,756)	(74,144)	187,612
Fund balance at beginning of year	261,756	238,181	(23,575)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 164,037	\$ 164,037
	<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
CHILD SUPPORT ENFORCEMENT FUND
For the Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 36,663	\$ 39,253	\$ 2,590
Interest on investments	100	117	17
	<u>36,763</u>	<u>39,370</u>	<u>2,607</u>
Total revenues			
Expenditures:			
Health & Welfare:			
Contingency	15,759	-	15,759
	<u>15,759</u>	<u>-</u>	<u>15,759</u>
Excess (deficiency) of revenues over (under) expenditures	21,004	39,370	18,366
Other financing sources (uses):			
Transfer out	(38,028)	(49,124)	(11,096)
	<u>(38,028)</u>	<u>(49,124)</u>	<u>(11,096)</u>
Net change in fund balance	(17,024)	(9,754)	7,270
Fund balance at beginning of year	17,024	15,447	(1,577)
	<u>17,024</u>	<u>15,447</u>	<u>(1,577)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 5,693</u>	<u>\$ 5,693</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 294,781	\$ 210,571	\$ (84,210)
Interest on investments	2,000	1,371	(629)
Total revenues	<u>296,781</u>	<u>211,942</u>	<u>(84,839)</u>
Expenditures:			
General Government:			
Materials and services	<u>307,643</u>	<u>210,571</u>	<u>97,072</u>
Net change in fund balance	(10,862)	1,371	12,233
Fund balance at beginning of year	<u>10,862</u>	<u>11,042</u>	<u>180</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 12,413</u></u>	<u><u>\$ 12,413</u></u>

See auditor's report.

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 3,182,541	\$ 3,146,093	\$ (36,448)
Taxes - other	10,000	5,512	(4,488)
Intergovernmental	20,000	-	(20,000)
Fines and forfeitures	24,000	23,728	(272)
Interest on investments	2,000	1,849	(151)
	<u>3,238,541</u>	<u>3,177,182</u>	<u>(61,359)</u>
Total revenues			
Expenditures:			
Culture and Recreation:			
Materials and services	3,263,541	3,172,526	91,015
	<u>(25,000)</u>	4,656	29,656
Net change in fund balance			
Fund balance at beginning of year	25,000	44,421	19,421
Fund balance at end of year	<u>\$ -</u>	<u>\$ 49,077</u>	<u>\$ 49,077</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 385,665	\$ 383,659	\$ (2,006)
Taxes - other	500	672	172
Fines and forfeitures	1,700	2,892	1,192
Interest on investments	800	1,254	454
	<hr/>	<hr/>	<hr/>
Total revenues	388,665	388,477	(188)
	<hr/>	<hr/>	<hr/>
Expenditures:			
Culture and Recreation:			
Materials and services	405,725	368,269	37,456
Operating contingency	97,940	-	97,940
	<hr/>	<hr/>	<hr/>
Total expenditures	503,665	368,269	135,396
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(115,000)	20,208	135,208
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	115,000	129,206	14,206
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 149,414	\$ 149,414
	<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
BONDED DEBT FUND
For the Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 2,066,802	\$ 2,112,657	\$ 45,855
Taxes - other	-	3,704	3,704
Fines and forfeitures	20,000	25,591	5,591
Interest on investments	3,000	4,656	1,656
	<u>2,089,802</u>	<u>2,146,608</u>	<u>56,806</u>
Total revenues			
Expenditures:			
Debt Service:			
Principal	1,215,000	1,215,000	-
Interest	904,802	904,800	2
	<u>2,119,802</u>	<u>2,119,800</u>	<u>2</u>
Total expenditures			
Net change in fund balance	(30,000)	26,808	56,808
Fund balance at beginning of year	<u>30,000</u>	<u>110,442</u>	<u>80,442</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 137,250</u>	<u>\$ 137,250</u>

See auditor's report.

PROPRIETARY FUNDS - ENTERPRISE FUNDS

Proprietary funds are used to account for and report 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 and reported 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. For generally accepted accounting principles, this fund is combined into the Waste Disposal Operations Fund.

Gas Pipeline Fund – This fund is used to account for and reports 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 and reports 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 NET POSITION
WASTE DISPOSAL FUNDS
June 30, 2013

	<u>Waste Disposal</u>	<u>Waste Reserve</u>	<u>Total Waste Disposal</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 720,759	\$ 2,058,924	\$ 2,779,683
Accounts receivable	<u>161,747</u>	<u>-</u>	<u>161,747</u>
Total current assets	<u>882,506</u>	<u>2,058,924</u>	<u>2,941,430</u>
Noncurrent assets:			
Capital assets:			
Land	9,862	-	9,862
Other capital assets (net of accumulated depreciation)	<u>1,848,263</u>	<u>-</u>	<u>1,848,263</u>
Total noncurrent assets	<u>1,858,125</u>	<u>-</u>	<u>1,858,125</u>
Total assets	<u>2,740,631</u>	<u>2,058,924</u>	<u>4,799,555</u>
LIABILITIES			
Current liabilities:			
Accounts payable	94,397	-	94,397
Compensated absences payable	43,751	-	43,751
Unearned revenue	394	-	394
Current portion of long-term liabilities:			
Landfill closure/post closure costs	<u>807,900</u>	<u>-</u>	<u>807,900</u>
Total current liabilities	<u>946,442</u>	<u>-</u>	<u>946,442</u>
Noncurrent liabilities:			
Accrued other postemployment benefits obligation	45,059	-	45,059
Accrued landfill closure/post-closure care costs	<u>4,070,000</u>	<u>-</u>	<u>4,070,000</u>
Total noncurrent liabilities	<u>4,115,059</u>	<u>-</u>	<u>4,115,059</u>
Total liabilities	<u>5,061,501</u>	<u>-</u>	<u>5,061,501</u>
NET POSITION			
Net investment in capital assets	1,858,125	-	1,858,125
Restricted for special projects	117,441	-	117,441
Unrestricted	<u>(4,296,436)</u>	<u>2,058,924</u>	<u>(2,237,512)</u>
Total net position	<u>\$ (2,320,870)</u>	<u>\$ 2,058,924</u>	<u>\$ (261,946)</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WASTE DISPOSAL FUNDS
For the Year Ended June 30, 2013

	Waste Disposal	Waste Reserve	Totals
Operating revenues:			
Waste disposal fees	\$ 1,652,272	\$ -	\$ 1,652,272
Miscellaneous	15,761	-	15,761
Total operating revenues	<u>1,668,033</u>	<u>-</u>	<u>1,668,033</u>
Operating expenses:			
Personnel services	538,110	-	538,110
Materials and services	1,095,774	-	1,095,774
Depreciation	174,474	-	174,474
Total operating expenses	<u>1,808,358</u>	<u>-</u>	<u>1,808,358</u>
Operating income (loss)	<u>(140,325)</u>	<u>-</u>	<u>(140,325)</u>
Nonoperating revenues (expense):			
Gain (Loss) on disposition of capital assets	(39,522)	-	(39,522)
Interest on investments	1,491	13,016	14,507
Change in estimated post closure costs	3,092,985	-	3,092,985
Total nonoperating revenues (expenses)	<u>3,054,954</u>	<u>13,016</u>	<u>3,067,970</u>
Income (loss) before operating transfers	<u>2,914,629</u>	<u>13,016</u>	<u>2,927,645</u>
Transfers:			
Transfer from other funds	740,236	-	740,236
Transfer to other funds	-	(740,236)	(740,236)
Total transfers	<u>740,236</u>	<u>(740,236)</u>	<u>-</u>
Change in net position	<u>3,654,865</u>	<u>(727,220)</u>	<u>2,927,645</u>
Net position (deficit) at beginning of year	(5,975,735)	2,786,144	(3,189,591)
Net positions (deficit) at end of year	<u>\$ (2,320,870)</u>	<u>\$ 2,058,924</u>	<u>\$ (261,946)</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF CASH FLOWS
WASTE DISPOSAL FUNDS
For the Year Ended June 30, 2013

	Waste Disposal	Waste Disposal Reserve	Totals
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,697,355	\$ -	\$ 1,697,355
Cash paid to employees	(538,775)	-	(538,775)
Cash paid to suppliers	(1,129,904)	-	(1,129,904)
Net cash provided (used) by operating activities	<u>28,676</u>	<u>-</u>	<u>28,676</u>
Cash flows from noncapital financing activities:			
Repayment of loans to/from other funds	(325,000)	325,000	-
Interfund transfers (net)	740,236	(740,236)	-
Net cash flows provided (used) by noncapital financing activities	<u>415,236</u>	<u>(415,236)</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets	32,888	-	32,888
Capital expenditures	(8,130)	-	(8,130)
Net cash (used) by capital and related financing activities	<u>24,758</u>	<u>-</u>	<u>24,758</u>
Cash flows from investing activities:			
Interest received	1,491	13,016	14,507
Net increase (decrease) in cash and cash equivalents	470,161	(402,220)	67,941
Cash and cash equivalents at beginning of year	<u>250,598</u>	<u>2,461,144</u>	<u>2,711,742</u>
Cash and cash equivalents at end of year	<u>\$ 720,759</u>	<u>\$ 2,058,924</u>	<u>\$ 2,779,683</u>

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

Operating income (loss)	\$ (140,325)	\$ -	\$ (140,325)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	174,474	-	174,474
Change in assets and liabilities:			
Accounts receivable	28,928	-	28,928
Prepays	5,257	-	5,257
Accounts payable	(43,417)	-	(43,417)
OPEB liability	4,030	-	4,030
Compensated absences payable	(665)	-	(665)
Unearned revenue	394	-	394
Net cash provided (used) by operating activities	<u>\$ 28,676</u>	<u>\$ -</u>	<u>\$ 28,676</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION
BUDGET AND ACTUAL
WASTE DISPOSAL OPERATIONS FUND
For the Year Ended June 30, 2013

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Licenses, fees, and permits	\$ 1,652,272	\$ 12,189	\$ 1,664,461	\$ 1,665,333	\$ (872)
Intergovernmental	-	-	-	100,000	(100,000)
Other	15,761	-	15,761	154,600	(138,839)
Total operating revenues	1,668,033	12,189	1,680,222	1,919,933	(239,711)
Operating expenses:					
Sanitation:					
Personnel services	538,110	8,824	546,934	549,664	2,730
Materials and services	1,095,774	-	1,095,774	1,695,792	600,018
Depreciation	174,474	(174,474)	-	-	-
Capital outlay	-	8,130	8,130	400,000	391,870
Debt service	-	-	-	139,421	139,421
Total operating expenses	1,808,358	(157,520)	1,650,838	2,784,877	1,134,039
Operating income (loss)	(140,325)	169,709	29,384	(864,944)	894,328
Nonoperating revenues (expense):					
Sale of assets	(39,522)	72,410	32,888	-	32,888
Change in estimated post closure costs	3,092,985	(3,092,985)	-	-	-
Interest income	1,491	-	1,491	500	991
Total nonoperating revenues (expenses)	3,054,954	(3,020,575)	34,379	500	33,879
Income (loss) before transfers:	2,914,629	(2,850,866)	63,763	(864,444)	928,207
Other revenues (expenses):					
Loan proceeds	-	-	-	200,000	(200,000)
Transfer in	740,236	-	740,236	550,000	190,236
Total other revenues (expenses)	740,236	-	740,236	750,000	(9,764)
Change in net position/fund balance	3,654,865	(2,850,866)	803,999	(114,444)	918,443
Net position/Fund balance at beginning of year	(5,975,735)	5,959,454	(16,281)	114,444	(130,725)
Net position/Fund balance at end of year	\$ (2,320,870)	\$ 3,108,588	\$ 787,718	\$ -	\$ 787,718

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION
BUDGET AND ACTUAL
WASTE DISPOSAL RESERVE FUND
For the Year Ended June 30, 2013

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenue (expenses):					
Interest income	\$ 13,016	\$ -	\$ 13,016	\$ 12,000	\$ 1,016
Other revenues (expenses):					
Transfer in	-	-	-	100,000	(100,000)
Transfer out	(740,236)	-	(740,236)	(550,000)	(190,236)
Total other revenues (expenses)	(740,236)	-	(740,236)	(450,000)	(290,236)
Change in net position/fund balance	(727,220)	-	(727,220)	(438,000)	(289,220)
Net position/Fund balance at beginning of year	2,786,144	-	2,786,144	2,808,000	(21,856)
Net position/Fund balance at end year	<u>\$ 2,058,924</u>	<u>\$ -</u>	<u>\$ 2,058,924</u>	<u>\$ 2,370,000</u>	<u>\$ (311,076)</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION
BUDGET AND ACTUAL
GAS PIPELINE FUND
For the Year Ended June 30, 2013

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Pipeline operations	\$ 560,925	\$ -	\$ 560,925	\$ 700,000	\$ (139,075)
Operating expenses:					
Public works:					
Materials and services	467,439	(43,636)	423,803	905,000	481,197
Depreciation	1,044,754	(1,044,754)	-	-	-
Capital outlay	-	37,749	37,749	10,589,374	10,551,625
Total operating expenses	1,512,193	(1,050,641)	461,552	11,494,374	11,032,822
Operating income (loss)	(951,268)	1,050,641	99,373	(10,794,374)	10,893,747
Other revenues (expense):					
Interest income	40,734	(4,401)	36,333	50,000	(13,667)
Income (loss) before operating transfers	(910,534)	1,046,240	135,706	(10,744,374)	10,880,080
Transfers from other funds	1,215,000	(1,215,000)	-	-	-
Change in net position/fund balance	304,466	(168,760)	135,706	(10,744,374)	10,880,080
Net position/Fund balance at beginning of year	36,972,923	(26,915,410)	10,057,513	10,744,374	(686,861)
Prior period adjustment	(163,143)	163,143	-	-	-
Net position/Fund balance at beginning of year (Restated)	36,809,780	(26,752,267)	10,057,513	10,744,374	(686,861)
Net position/Fund balance at end of year	<u>\$ 37,114,246</u>	<u>\$ (26,921,027)</u>	<u>\$ 10,193,219</u>	<u>\$ -</u>	<u>\$ 10,193,219</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2013

	Fair	Coos County Area Transit Service District	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 67,307	\$ 87,220	\$ 154,527
Receivable:			
Grants	-	97,239	97,239
Accounts	-	1,487	1,487
Prepays	120	14,086	14,206
Total current assets	<u>67,427</u>	<u>200,032</u>	<u>267,459</u>
Noncurrent assets:			
Capital assets:			
Land	30,606	117,743	148,349
Other capital assets (net of accumulated depreciation)	<u>636,483</u>	<u>306,321</u>	<u>942,804</u>
Total noncurrent assets	<u>667,089</u>	<u>424,064</u>	<u>1,091,153</u>
Total assets	<u>734,516</u>	<u>624,096</u>	<u>1,358,612</u>
LIABILITIES			
Current liabilities:			
Accounts payable	5,581	17,621	23,202
Accrued payroll benefits	-	15,660	15,660
Compensated absences payable	4,507	29,743	34,250
Prepaid exhibitor deposits	27,224		27,224
Current portion of long-term liabilities			
Capital lease	<u>1,136</u>	<u>-</u>	<u>1,136</u>
Total current liabilities	<u>38,448</u>	<u>63,024</u>	<u>101,472</u>
Noncurrent liabilities:			
Long-term liabilities (net of current portion)			
Other postemployment benefits obligation	<u>6,503</u>	<u>-</u>	<u>6,503</u>
Total liabilities	<u>44,951</u>	<u>63,024</u>	<u>107,975</u>
NET POSITION			
Net investment in capital assets	665,953	424,064	1,090,017
Unrestricted	<u>23,612</u>	<u>137,008</u>	<u>160,620</u>
Total net position	<u>\$ 689,565</u>	<u>\$ 561,072</u>	<u>\$ 1,250,637</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2013

	County Fair	Coos County Area Transit Service District	Totals
Operating revenues:			
Operational charges	\$ 219,045	\$ 82,049	\$ 301,094
Intergovernmental	48,110	525,769	573,879
Other	45,106	68,278	113,384
Total operating revenues	<u>312,261</u>	<u>676,096</u>	<u>988,357</u>
Operating expenses:			
Personnel services	94,583	316,927	411,510
Materials and services	229,287	330,172	559,459
Depreciation	29,489	116,599	146,088
Total operating expenses	<u>353,359</u>	<u>763,698</u>	<u>1,117,057</u>
Operating income (loss)	<u>(41,098)</u>	<u>(87,602)</u>	<u>(128,700)</u>
Nonoperating revenues (expense)			
Interest on investments	455	-	455
Interest expense	(134)	-	(134)
Gain (Loss) on disposition of capital assets	(1,112)	-	(1,112)
Total nonoperating revenues (expenses)	<u>(791)</u>	<u>-</u>	<u>(791)</u>
Change in net position	(41,889)	(87,602)	(129,491)
Net position at beginning of year	<u>731,454</u>	<u>648,674</u>	<u>1,380,128</u>
Net position at end of year	<u>\$ 689,565</u>	<u>\$ 561,072</u>	<u>\$ 1,250,637</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2013

	Fair	Coos County Area Transit Service District	Totals
Cash flows from operating activities:			
Cash received from customers and users	\$ 308,360	\$ 99,880	\$ 408,240
Cash received from grantors	-	546,979	546,979
Cash paid to employees	(93,352)	(339,745)	(433,097)
Cash paid to suppliers	(228,486)	(321,318)	(549,804)
Net cash provided (used) by operating activities	<u>(13,478)</u>	<u>(14,204)</u>	<u>(27,682)</u>
Cash flows from capital and related financing activities:			
Principal payments on long-term debt	(1,050)	-	(1,050)
Interest paid	(134)	-	(134)
Capital expenditures	-	(5,692)	(5,692)
Net cash (used) by capital and related financing activities	<u>(1,184)</u>	<u>(5,692)</u>	<u>(6,876)</u>
Cash flows from investing activities:			
Interest received	455	-	455
Net increase (decrease) in cash and cash equivalents	(14,207)	(19,896)	(34,103)
Cash and cash equivalents at beginning of year	81,514	107,116	188,630
Cash and cash equivalents at end of year	<u>\$ 67,307</u>	<u>\$ 87,220</u>	<u>\$ 154,527</u>

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

Operating income (loss)	\$ (41,098)	\$ (87,602)	\$ (128,700)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	29,489	116,599	146,088
Change in assets and liabilities:			
Accounts receivable	-	20,641	20,641
Prepays	395	(2,088)	(1,693)
Accounts payable and accrued expenses	1,637	(11,876)	(10,239)
Assets donated for operations	-	(49,878)	(49,878)
Deposits	(3,901)	-	(3,901)
Net cash provided (used) by operating activities	<u>\$ (13,478)</u>	<u>\$ (14,204)</u>	<u>\$ (27,682)</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION
BUDGET AND ACTUAL
COUNTY FAIR FUND
For the Year Ended June 30, 2013

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Intergovernmental	\$ 48,110	\$ -	\$ 48,110	\$ 50,000	\$ (1,890)
Licenses, fees, and permits	9,109	-	9,109	12,500	(3,391)
Charges for services	209,936	-	209,936	260,300	(50,364)
Donations and sponsorships	-	-	-	170,000	(170,000)
Other	45,106	(7,104)	38,002	5,000	33,002
Total operating revenues	312,261	(7,104)	305,157	497,800	(192,643)
Operating expenses:					
Culture & Recreation:					
Personnel services	94,583	(1,908)	92,675	105,000	12,325
Materials and services	229,287	(18,632)	210,655	285,490	74,835
Depreciation	29,489	(29,489)	-	-	-
Capital outlay	-	11,528	11,528	121,229	109,701
Debt service	134	1,050	1,184	1,185	1
Contingency	-	-	-	37,396	37,396
Total operating expenses	353,493	(37,451)	316,042	550,300	234,258
Operating income (loss)	(41,232)	30,347	(10,885)	(52,500)	41,615
Other revenues (expense):					
Interest income	455	-	455	500	(45)
Gain (Loss) on disposition of assets	(1,112)	1,112	-	-	-
Total other revenues (expenses)	(657)	1,112	455	500	(45)
Change in net position/fund balance	(41,889)	31,459	(10,430)	(52,000)	41,570
Net position/Fund balance at beginning of year	731,454	(686,404)	45,050	52,000	(6,950)
Net position/Fund balance at end of year	<u>\$ 689,565</u>	<u>\$ (654,945)</u>	<u>\$ 34,620</u>	<u>\$ -</u>	<u>\$ 34,620</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, 2013

	Final Budget	Actual on Budgetary Basis	Variance
Operating revenues:			
Intergovernmental	\$ 877,158	\$ 544,169	\$ (332,989)
Charges for service	68,500	80,129	11,629
Miscellaneous	1,920	1,920	-
	<u>947,578</u>	<u>626,218</u>	<u>(321,360)</u>
Total operating revenues			
Operating expenses:			
Personnel services	432,889	406,292	26,597
Materials and services	303,845	244,206	59,639
Capital outlay	265,844	5,692	260,152
Contingency	10,000	-	10,000
	<u>1,012,578</u>	<u>656,190</u>	<u>356,388</u>
Total operating expenses			
Operating income (loss)	(65,000)	(29,972)	35,028
Fund balance at beginning of year	<u>65,000</u>	<u>196,723</u>	<u>131,723</u>
Fund balance at end of year	<u>\$ -</u>	<u>166,751</u>	<u>\$ 166,751</u>
Reconciliation to GAAP basis net position:			
Accrued compensation		(29,743)	
Capital assets, net of depreciation		424,064	
		<u>394,321</u>	
GAAP basis net position		<u>\$ 561,072</u>	

See auditor's report.

FIDUCIARY FUNDS/AGENCY FUNDS

Fiduciary funds are used to account for and report 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 and report 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, 2013

<u>TAXING DISTRICTS</u>				
	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
ASSETS				
Cash and investments	\$ 1,428,376	\$ 108,919,781	\$ 109,104,580	\$ 1,243,577
Receivables:				
Property taxes	5,693,143	5,764,184	5,693,143	5,764,184
Total assets	<u>\$ 7,121,519</u>	<u>\$ 114,683,965</u>	<u>\$ 114,797,723</u>	<u>\$ 7,007,761</u>
LIABILITIES				
Due to other agencies, funds and taxing districts	<u>\$ 7,121,519</u>	<u>\$ 114,683,965</u>	<u>\$ 114,797,723</u>	<u>\$ 7,007,761</u>

<u>COUNTY TRUSTS</u>				
	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
ASSETS				
Cash and investments	\$ 1,074,996	\$ 309,460	\$ 388,234	\$ 996,222
Receivables:				
Contracts	-	137,372	137,372	-
LIABILITIES				
Due to other agencies, funds and taxing districts	<u>\$ 1,074,996</u>	<u>\$ 446,832</u>	<u>\$ 525,606</u>	<u>\$ 996,222</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 11, 2014

To the Board of Commissioners of Coos County:

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Coos County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 11, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Coos County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

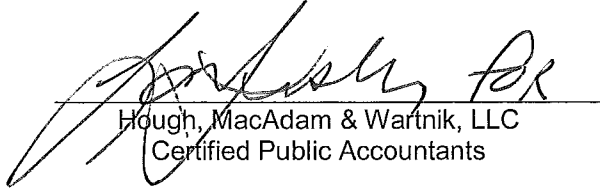
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses.

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*.

Purpose of this Report

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



Hough, MacAdam & Wartnik, LLC
Certified Public Accountants



**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH OREGON MINIMUM STANDARDS**

February 11, 2014

To the Board of Commissioners of Coos County:

We have audited the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information which comprise the basic financial statements of Coos County ("the County") as of and for the year ended June 30, 2013 and have issued our report thereon dated February 11, 2014. 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 and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-320, as set forth below, 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.

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

The use of approved depositories to secure the deposit of public funds (ORS Chapter 295).

The requirements relating to debt.

The requirements relating to the preparation, adoption and execution of annual budgets (ORS Chapter 294).

The requirements relating to insurance and fidelity bond coverage.

The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.

The statutory requirements pertaining to the investment of public funds (ORS Chapter 294).

Factors related to state highway gasoline taxes

The requirements pertaining to the awarding of public contracts and the construction of public improvements (ORS Chapters 279A, 279B, 279C).

Except as discussed below, the results of our tests disclosed no instances of noncompliance that are required to be reported under the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State.

As described in Note 2, the results of testing indicated instances of non-compliance related to excess expenditures over appropriations, as follows:

Waste Reserve	
Transfers out	<u>\$ 190,236</u>
Nonmajor Funds:	
Child Support	
Transfers out	<u>\$ 11,096</u>

Internal Control Over Financial Reporting

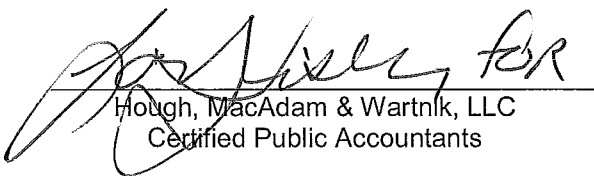
In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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.

Purpose of This Report

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



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

February 11, 2014

To the Board of Commissioners of Coos County:

Report on Compliance for Each Major Federal Program

We have audited Coos County's compliance 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, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Coos County's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination on Coos County's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

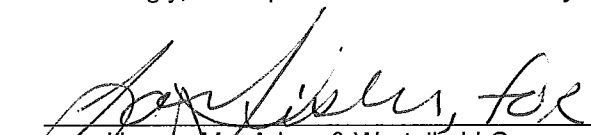
Management of Coos County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Coos County's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program to determine our auditing procedures that are appropriate in the circumstances 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 the 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, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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



Hough, MacAdam & Wartnik, LLC
Certified Public Accountants

COOS COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued	_____	Qualified	_____	<u>X</u>	Unqualified
Internal control of financial reporting:					
Material weakness(es) identified?	_____	Yes	_____	<u>X</u>	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____	Yes	_____	<u>X</u>	No
Noncompliance material to financial statements noted?	_____	Yes	_____	<u>X</u>	No

Federal Awards:

Internal control over major programs:					
Any material weaknesses identified?	_____	Yes	_____	<u>X</u>	No
Any significant deficiencies identified not considered to be material weaknesses?	_____	Yes	_____	<u>X</u>	None reported
Type of auditor's report issued on compliance for major programs	_____	Qualified	_____	<u>X</u>	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133?	_____	Yes	_____	<u>X</u>	No

Identification of major programs:

Distribution of Receipts to State and Local Governments	CFDA#	15.227			
Payments in Lieu of Taxes	CFDA#	15.226			
ARRA - Public Safety Partnership and Community Policing Grants	CFDA#	16.710			
Dollar threshold used to distinguish between type A and type B programs	\$	<u>300,000</u>			
Auditee qualified as low-risk auditee?	_____	Yes	_____	<u>X</u>	No

SECTION II FINDINGS - FINANCIAL STATEMENT FINDINGS

None

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

COOS COUNTY, OREGON
SUMMARY OF PRIOR AUDIT FINDINGS RELATED TO FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2013

Questioned Costs:

There were no questioned costs for the year ended June 30, 2012.

Findings:

There were no findings for the year ended June 30, 2012.

COOS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Agriculture		
Forest Service - Schools and Roads--Grants to States	10.665	\$ 72,199
<i>Passed through Oregon Health Authority:</i>		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	300,742
WIC Grants To States (WGS)	10.578	18,668
<i>Passed through State of Oregon Department of Administrative Services:</i>		
Forest Service - Schools and Roads--Grants to States	10.665	<u>299,440</u>
Subtotal U.S. Department of Agriculture		<u>691,049</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	<u>42,150</u>
Subtotal U.S. Department of Commerce		<u>42,150</u>
U.S. Department of Interior		
National Wildlife Refuge Fund	15.659	19,022
Payments in Lieu of Taxes	15.226	* 378,821
Distribution of Receipts to State and Local Governments	15.227	* 2,594,095
Secure Rural Schools and Community Self-Determination	15.234	97,956
<i>Passed through State of Oregon Marine Board</i>		
Clean Vessel Act	15.616	<u>14,000</u>
Subtotal U.S. Department of Interior		<u>3,103,894</u>
U.S. Department of Justice		
State Criminal Alien Assistance Program	16.606	2,582
Bulletproof Vest Partnership Program	16.607	1,100
AARA - Public Safety Partnership and Community Policing Grants	16.710	* 278,300
Congressionally Recommended Awards	16.753	9,772
<i>Passed through State of Oregon Commission on Children & Families:</i>		
Juvenile Accountability Block Grants	16.523	7,090
<i>Passed through Oregon Criminal Justice Commission:</i>		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	36,790
<i>Passed through State of Oregon Department of Justice:</i>		
Crime Victim Assistance	16.575	32,138
ARRA - Violence Against Women Formula Grants	16.588	39,375
<i>Passed through Coquille Indian Tribe:</i>		
ARRA - Public Safety Partnership and Community Policing Grants	16.710	* <u>228,238</u>
Subtotal U.S. Department of Justice		<u>635,385</u>
U.S. Department of Transportation		
<i>Passed through State of Oregon Department of Transportation:</i>		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	211,880
Formula Grants for Rural Areas	20.509	<u>223,832</u>
Subtotal U.S. Department of Transportation		<u>435,712</u>

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
General Services Administration		
<i>Passed through State of Oregon Department of Administrative Services:</i>		
Disposal of Federal Surplus Real Property	39.002	** \$ 326
Donation of Federal Surplus Personal Property	39.003	** 94
Subtotal General Services Administration		<u>420</u>
Environmental Protection Agency		
<i>Passed through Oregon Health Authority:</i>		
ARRA Capitalization Grants for Drinking Water State Revolving Funds	66.468	9,275
State Public Water System Supervision	66.432	9,340
Subtotal Environmental Protection Agency		<u>18,615</u>
U.S. Department of Health and Human Services		
Drug-Free Communities Support Program Grants	93.276	98,429
<i>Passed through Oregon Health Authority:</i>		
Public Health Emergency Preparedness	93.069	99,334
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	819
Family Planning Services	93.217	25,961
PPHF 2012-Prevention & Public Health Fund (Affordable Care Act) - Capacity Building		
Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by 2012 Prevention and Public Health Funds	93.539	40,469
National Bioterrorism Hospital Preparedness Program	93.889	23,167
Block Grants for Community Mental Health Services	93.958	31,950
Block Grants for Prevention and Treatment of Substance Abuse	93.959	117,516
Maternal and Child Health Services Block Grant to the States	93.994	44,030
<i>Passed through Oregon Health & Science University:</i>		
Maternal and Child Health Services Block Grant to the States	93.994	12,631
<i>Passed through State of Oregon Department of Justice:</i>		
Child Support Enforcement	93.563	102,823
AARA Foster Care Title IV-E	93.658	16,381
<i>Passed through State of Oregon Commission on Children & Families:</i>		
Promoting Safe and Stable Families	93.556	21,341
ARRA Foster Care Title IV-E	93.658	12,000
Social Services Block Grant	93.667	59,788
Medical Assistance Program	93.778	5,833
Subtotal U.S. Department of Health and Human Services		<u>712,472</u>
U.S. Department of Homeland Security		
<i>Passed through Oregon Military Department:</i>		
Emergency Management Performance Grants	97.042	61,678
State Homeland Security Program (SHSP)	97.073	28,810
Subtotal U.S. Department of Homeland Security		<u>90,488</u>
Total Federal Assistance		<u>\$ 5,730,185</u>

* Indicates a major program

** Indicates non-cash assistance

COOS COUNTY, OREGON
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

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.

Note 2. Amounts provided to Subrecipients

The following federal award amounts were passed through to local subrecipients:

U.S. Department of Agriculture

Passed through to Local School Districts:

Forest Service - Schools and Roads - Grants to States	10.665	74,860
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U.S. Department of Transportation

Passed through to Coos County Area Transit Service District

Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	211,880
Formula Grants for Rural Areas	20.509	223,832

U.S. Department of Health and Human Services

Passed through to Local School Districts:

Promoting Safe and Stable Families	93.556	15,926
ARRA - Foster Care Title IV-E	93.658	2,648
Social Services Block Grant	93.667	57,924

Passed through to Adapt:

Block Grants for Prevention and Treatment of Substance Abuse	93.959	107,235
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