

WHITE CITY LIGHTING DISTRICT
(a Component Unit of Jackson County, Oregon)

ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015

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WHITE CITY LIGHTING DISTRICT
(a Component Unit of Jackson County, Oregon)

LIST OF PRINCIPAL OFFICIALS

as of June 30, 2015

Board of Directors
(Jackson County Commissioners)

Colleen Roberts

Doug Breidenthal, Chair

Rick Dyer

County Administrator - Budget Officer

Danny Jordan

Finance Director - Registered Agent

Shannon Bell

All Board of Commissioners, County Administrator, and Finance Director receive mail at:
10 South Oakdale Avenue
Medford, Oregon 97501

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

Board of Directors
White City Lighting District

We have reviewed the accompanying financial statements of the governmental activities, the major fund, and the budgetary statement of the White City Lighting District (the District), a component unit of Jackson County, Oregon, as of and for the year ended June 30, 2015, which collectively comprise the White City Lighting District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of District management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management has omitted management's discussion and analysis. 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. The results of our review of the basic financial statements are not affected by that missing information.

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The information included in the accompanying supplementary information is presented only for purposes of additional analysis and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

The list of principal officials is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have not audited or reviewed such information, and accordingly, we do not express an opinion, a conclusion, or provide any assurance on it.



James C. Lanzarotta, Partner
For Moss Adams LLP
Eugene, Oregon
December 14, 2015

Basic Financial Statements

White City Lighting District
(a Component Unit of Jackson County, Oregon)
Statement of Net Position
June 30, 2015

ASSETS	
Cash and investments	\$ 1,087,362
Property taxes receivable	18,604
Due from Jackson County	1,057
Capital assets (net of accumulated depreciation):	
Infrastructure	<u>3,330,000</u>
Total assets	<u>4,437,023</u>
LIABILITIES	
Due to Jackson County	<u>33,026</u>
Total liabilities	<u>33,026</u>
NET POSITION	
Net investment in capital assets	3,330,000
Restricted	<u>1,073,997</u>
Total net position	<u><u>\$ 4,403,997</u></u>

White City Lighting District
(a Component Unit of Jackson County, Oregon)
Statement of Activities
For the fiscal year ended June 30, 2015

PROGRAM REVENUES	
Capital Grants and Contributions	<u>\$ 385,000</u>
PROGRAM EXPENSES	
Planning, Development & Natural Resources	<u> 434,162</u>
Net (expense) revenue and changes in net position	<u> (49,162)</u>
GENERAL REVENUES	
Taxes	288,884
Reimbursements	3,972
Interest	<u> 17,446</u>
Total general revenues	<u> 310,302</u>
Change in net position	261,140
Net position - beginning	<u> 4,142,857</u>
Net position - ending	<u><u> \$ 4,403,997</u></u>

White City Lighting District
(a Component Unit of Jackson County, Oregon)
Balance Sheet
Governmental Fund
June 30, 2015

ASSETS	
Cash and investments	\$ 1,087,362
Property taxes receivable	18,604
Due from Jackson County	<u>1,057</u>
Total assets	<u><u>\$ 1,107,023</u></u>
LIABILITIES	
Due to Jackson County	<u>33,026</u>
Total liabilities	<u>33,026</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	<u>14,842</u>
FUND BALANCE	
Restricted	<u>1,059,155</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 1,107,023</u></u>
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance shown above	\$ 1,059,155
Property taxes receivable are not available to pay current period expenditures and, therefore, are deferred in the funds	14,842
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>3,330,000</u>
Net position	<u><u>\$ 4,403,997</u></u>

White City Lighting District
(a Component Unit of Jackson County, Oregon)
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the fiscal year ended June 30, 2015

REVENUES

Taxes	\$ 288,255
Reimbursements	3,972
Interest	17,446
	309,673
Total revenues	309,673

EXENDITURES

Current:	
Planning, Development & Natural Resources	201,771
Capital outlay:	
Planning, Development & Natural Resources	49,150
	49,150
Total expenditures	250,921
Net change in fund balance	58,752
Fund balance - beginning	1,000,403
Fund balance - ending	\$ 1,059,155

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance to the Statement of Activities:

Amounts reported in the statement of activities are difference because:

Net change in fund balance shown above	\$ 58,752
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Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their
estimated lives and reported as depreciation expense. This is the
amount by which capital outlays exceeded depreciation during the year.

Capital outlay	49,150
Depreciation expense	(232,391)

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenue in the funds.

Capital contributions	385,000
Change in the deferral of property taxes during the year	629
	629

Change in net position	\$ 261,140
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White City Lighting District
(a Component Unit of Jackson County, Oregon)
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the fiscal year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 245,720	\$ 245,720	\$ 288,255	\$ 42,535
Reimbursements	-	-	3,972	3,972
Interest	9,000	9,000	17,446	8,446
Total revenues	<u>254,720</u>	<u>254,720</u>	<u>309,673</u>	<u>54,953</u>
EXPENDITURES				
Planning, Development & Natural Resources:				
Materials and services	235,974	235,974	201,771	34,203
Capital outlay	80,000	80,000	49,150	30,850
Total expenditures	<u>315,974</u>	<u>315,974</u>	<u>250,921</u>	<u>65,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,254)</u>	<u>(61,254)</u>	<u>58,752</u>	<u>(120,006)</u>
OTHER FINANCING SOURCES (USES)				
Contingency	100,000	100,000	-	(100,000)
Net change in fund balance	(161,254)	(161,254)	58,752	220,006
Fund balance - beginning	808,396	808,396	1,000,403	192,007
Fund balance - ending	<u>\$ 647,142</u>	<u>\$ 647,142</u>	<u>\$ 1,059,155</u>	<u>\$ 412,013</u>

1. Summary of significant accounting policies

The financial statements of the White City Lighting District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The more significant of the District's accounting policies are described below.

a. **Organization and operation:** The District was created on May 26, 2004 under the provisions of Oregon Revised Statutes (ORS) Chapter 372. The purpose of the District is to provide for the operations and maintenance of supplying street lighting to the citizens living within the District, through levied property taxes. In the November 2004 election, the citizens within the District passed a permanent rate levy of \$0.047 per \$1,000 assessed valuation to fund District operations.

The Jackson County Board of Commissioners serves as the Board of the District and oversees policy direction for the District. The White City Urban Renewal Agency of Jackson County (Agency) was responsible for the day-to-day management of operations until July 1, 2010 at which time management control was transferred to the Jackson County Roads Department as part of the multi-year dissolution process of the Agency.

b. **The financial reporting entity:** Because the District's governing body is identical to that of Jackson County, Oregon (County), and because the District's day-to-day operations are managed by County personnel, the District has been determined under standards established by GAAP to be a blended component unit of the County. As a result, the District's financial statements are blended with those of the County by including them in the appropriate statements and schedules of the County's Comprehensive Annual Financial Report (CAFR). The District is reported in the County's CAFR as a non-major capital project fund.

c. **Government-wide financial statements:** The Statement of Net Position and Statement of Activities report information on all of the activities of the District. The government-wide financial statements are reported using the economic resources measurement focus and 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 District gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, grants, and entitlements. On an accrual basis, revenue from 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.

d. **Fund financial statements:** The District uses one fund to report on its financial position and the results of its operations. The fund accounts for the general administration and operations of the District.

The District's governmental fund type is accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are recorded when the related liability is incurred.

1. Summary of significant accounting policies (Continued)

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Any other revenue items are considered to be measureable and available only when cash is received by the District.

e. **Budgets:** The District is required by State law to budget all funds. The board order authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. District funds are controlled by total fund expenditures. The detail budget document, however, is required to contain more specific, detail information for the above-mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and approval by the Board of Commissioners acting as the Board of Directors.

Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the Board of Commissioners acting as the Board of Directors. The County Administrator has been assigned authority to make appropriation adjustments within funds without Board approval, provided the total appropriation for a fund is not increased. Appropriations lapse as of year-end. The budget is prepared in accordance with the modified accrual basis of accounting.

f. **Encumbrances:** Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to restrict that portion of the applicable appropriation, is employed during the year for administrative control purposes only. As of June 30, 2015, the District had no encumbered balances.

g. **Cash and investments:** The District invests its cash in Jackson County's cash and investment management pool, which is available for use by all County funds and is unrated. The cash and investment management pool has the general characteristic of a demand deposit account in that County funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. Interest earned from pooled investments is allocated to each fund based on each fund's portion of the total investment balance calculated on a daily basis.

State statutes authorize the County to invest in the State of Oregon Local Government Investment Pool (LGIP), certificates of deposit, Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) certificates, municipal debt obligations, corporate paper, and U.S. Government securities held under repurchase agreements. The LGIP operates in accordance with appropriate State laws.

It is not practical to determine the investment risk, collateral, or insurance coverage for the District's share of these pool investments. Information about the pooled investments, including related investment risk collateral, and insurance coverage, is included in the County's annual financial report and may be obtained by contacting the County's Finance Department at 10 South Oakdale Avenue, Room 314, Medford, Oregon 97501.

1. Summary of significant accounting policies (Continued)

h. **Receivables:** The District's receivables are property taxes which are collected through the County's property tax system. Property taxes receivable, that have been collected within 60 days of year-end, are considered measurable and available, and are recognized as revenues in the fund financial statements. All other property taxes receivable are offset by deferred inflows and, accordingly, have not been recorded as revenue. Property taxes attach as an enforceable lien as of July 1 for real property and personal property. Taxes are levied on July 1 and payable in three installments on November 15, February 15, and May 15.

i. **Capital assets:** Capital assets are defined by the County as assets with a useful life of more than one year and an initial, individual cost of more than \$5,000 and are reported in the government-wide financial statements. Individual or aggregate assets with a cost of \$5,000 or less are not capitalized. 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. Capital assets are stated at either cost, estimated historical cost or fair market value on the date donated for donated assets.

Upon disposal of capital assets, the historical cost, estimated historical cost or fair market value of donated assets is removed from District asset records, and proceeds from any sales are generally recorded as revenue in the governmental fund financial statements and as a gain or loss on disposal of assets in the government-wide financial statements.

Property and improvements of the District are depreciated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives of capital assets are as follows:

Buildings and improvements	7 to 50 years
Equipment, including vehicles	3 to 25 years
Signals and street lights	20 years

j. **Deferred inflows of resources:** In addition to liabilities, the statement of financial 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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a 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. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

k. **Net position and fund balance:** Net position is reported on the Statement of Net Position. Within net position, the net investment in capital assets represents total capital assets less accumulated depreciation. The remaining net position of the District is restricted.

White City Lighting District
(a Component Unit of Jackson County, Oregon)
Notes to Financial Statements
For the fiscal year ended June 30, 2015

1. Summary of significant accounting policies (Continued)

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance found on the Balance Sheet is segregated into separate classifications indicating the extent to which the District is bound to honor constraints on the specific purpose for which the funds can be spent. Fund balance classifications are: nonspendable, restricted, assigned or unassigned. Restricted fund balance can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The District is funded by property tax revenue, which is considered enabling legislation, therefore all of the District’s fund balance is classified as restricted.

2. Detailed notes on the fund

a. **Capital assets:** Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balances	Additions	Deletions	Transfers	Ending Balances
Capital assets not being depreciated:					
Construction in progress	\$ 8,175	\$ -	\$ -	\$ (8,175)	\$ -
Capital assets being depreciated:					
Infrastructure	4,258,468	434,150	-	8,175	4,700,793
Accumulated depreciation	1,138,402	232,391	-	-	1,370,793
Total capital assets being depreciated, net	<u>3,120,066</u>	<u>201,759</u>	<u>-</u>	<u>8,175</u>	<u>3,330,000</u>
Capital assets, net	<u>\$ 3,128,241</u>	<u>\$ 201,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,330,000</u>

b. **Transactions with Jackson County:** The Jackson County Roads Department provides operating management and planning for the District. General administrative functions are also performed by other departments of the County. All services are performed on an internal cost reimbursement basis. Reimbursements to the County were \$7,577, and are included as part of materials and services on the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual.

3. Risk management

The District participates in Jackson County’s Self Insurance internal service fund, which accounts for the District’s overall risk of loss. The County is self-insured for unemployment compensation, workers’ compensation, most general liability, auto liability, police professional liability, municipal liability exposures, and manager’s health benefits. The District pays a portion of the cost through the County’s Roads Department, which is responsible for the operation of the District. The County experienced no claim losses in excess of coverage obtained during fiscal years 2013 through 2015.

Supplementary Data

White City Lighting District
(a Component Unit of Jackson County, Oregon)
Schedule of Property Tax Transactions and Outstanding Balances
For the fiscal year ended June 30, 2015

Tax Year	Taxes Receivable July 1, 2014	Current Levy as Extended by Assessor	Deduct Discounts Taken	Add Interest on Delinquent Taxes	Deduct Cash Collections on Taxes (1)	Add (deduct) Corrections and Adjustments	Taxes Receivable June 30, 2015
2014-15	\$ -	\$ 295,738	\$ 7,461	\$ 208	\$ 279,123	\$ (678)	\$ 8,684
2013-14	8,361	-	(1)	466	4,494	(239)	4,095
2012-13	5,138	-	(1)	573	2,505	(105)	3,102
2011-12	3,272	-	(1)	721	2,110	(99)	1,785
2010-11	1,164	-	-	397	1,090	(47)	424
2009-10	466	-	-	73	165	(64)	310
2008-09	98	-	-	15	32	(11)	70
2007-08	83	-	-	8	13	(6)	72
2006-07	40	-	-	6	9	(2)	35
2005-06	29	-	-	4	5	(1)	27
	<u>\$ 18,651</u>	<u>\$ 295,738</u>	<u>\$ 7,458</u>	<u>\$ 2,471</u>	<u>\$ 289,546</u>	<u>\$ (1,252)</u>	<u>\$ 18,604</u>

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



JACKSON COUNTY

Oregon

Administrator's Office

Danny L. Jordan
County Administrator

10 S. Oakdale Ave. Rm 214
Medford, OR 97501
Phone: 541-774-6003
Fax: 541-774-6705
jordandl@jacksoncounty.org

www.jacksoncounty.org

December 14, 2015

Management Representation of Fiscal Affairs

Required by Oregon Regulation

The White City Lighting District (the District) is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operation and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, division 40) including, but not limited to:

- (a) Deposit of public funds with financial institutions (ORS Chapter 295).
- (b) Indebtedness limitations, restrictions, and repayment.
- (c) Budgets legally required (ORS Chapter 294).
- (d) Insurance and fidelity bonds in force or required by law.
- (e) Programs funded from outside sources.
- (f) Highway revenues used for public highways and roads (ORS Chapters 294, 368 & 373).
- (g) Authorized investment of surplus funds (ORS Chapter 294).
- (h) Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of the District is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

Danny L. Jordan
County Administrator/District Budget Officer

Shannon A. Bell
Finance Director/Registered Agent