

JACKSON COUNTY 4-H,  
MASTER GARDENER AND AGRICULTURAL  
EXTENSION SERVICE DISTRICT  
(a Component Unit of Jackson County, Oregon)

ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015

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**JACKSON COUNTY 4-H, MASTER GARDENER AND AGRICULTURAL EXTENSION  
SERVICE DISTRICT  
(a Component Unit of Jackson County, Oregon)**

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**LIST OF PRINCIPAL OFFICIALS**

as of June 30, 2015

Board of Directors  
(Jackson County Commissioners)

Colleen Roberts

Doug Breidenthal, Chair

Rick Dyer

County Administrator

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  
Jackson County 4-H, Master Gardener and Agricultural Extension Service District

We have reviewed the accompanying financial statements of the governmental activities, the major fund, and the budgetary statement of the Jackson County 4-H, Master Gardener and Agricultural Extension Service District (the District) as of June 30, 2015, which collectively comprise the Jackson County 4-H, Master Gardener and Agricultural Extension Service District's basic financial statements as listed in the table of contents. 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**

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**Jackson County 4-H, Master Gardener and Agricultural Extension Service District**  
**(a Component Unit of Jackson County, Oregon)**  
**Statement of Net Position**  
**June 30, 2015**

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ASSETS	
Cash and investments	\$ 507,801
Property taxes receivable	<u>25,604</u>
Total assets	<u>533,405</u>
LIABILITIES	
Accounts payable	156,789
Due to Jackson County	<u>22,928</u>
Total liabilities	<u>179,717</u>
NET POSITION	
Restricted	<u>353,688</u>
Total net position	<u><u>\$ 353,688</u></u>

**Jackson County 4-H, Master Gardener and Agricultural Extension Service District**  
**(a Component Unit of Jackson County, Oregon)**  
**Statement of Activities**  
**For the period from inception to June 30, 2015**

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EXPENSES	
Planning, Development & Natural Resources	\$ 492,260
GENERAL REVENUES	
Taxes	844,055
Interest	1,893
Total general revenues	845,948
Change in net position	353,688
Net position - beginning	-
Net position - ending	\$ 353,688



**Jackson County 4-H, Master Gardener and Agricultural Extension Service District**  
**(a Component Unit of Jackson County, Oregon)**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2015**

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<b>ASSETS</b>	
Cash and investments	\$ 507,801
Property taxes receivable	<u>25,604</u>
Total assets	<u><u>\$ 533,405</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 156,789
Due to Jackson County	<u>22,928</u>
Total liabilities	<u>179,717</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	<u>19,036</u>
<b>FUND BALANCE</b>	
Restricted	<u>334,652</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 533,405</u></u>
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance shown above	\$ 334,652
Property taxes receivable are not available to pay current period expenditures and, therefore, are deferred in the funds	<u>19,036</u>
Net position	<u><u>\$ 353,688</u></u>

**Jackson County 4-H, Master Gardener and Agricultural Extension Service District**  
**(a Component Unit of Jackson County, Oregon)**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Fund**  
**For the period from inception to June 30, 2015**

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REVENUES		
Taxes	\$	825,019
Interest		1,893
Total revenues		826,912
EXPENDITURES		
Planning, Development & Natural Resources		492,260
Net change in fund balance		334,652
Fund balance - beginning		-
Fund balance - ending	\$	334,652
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 different because:		
Net change in fund balance shown above	\$	334,652
Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the effect of the change in the deferral of these amounts during the year.		19,036
Change in net position	\$	353,688

**Jackson County 4-H, Master Gardener and Agricultural Extension Service District**  
**(a Component Unit of Jackson County, Oregon)**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the period from inception to June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 824,729	\$ 824,729
Interest	-	-	2,183	2,183
Total revenues	-	-	826,912	826,912
<b>EXPENDITURES</b>				
Community Justice & Safety:				
Materials and services	-	-	492,260	(492,260)
Total expenditures	-	-	492,260	(492,260)
Excess (deficiency) of revenues over (under) expenditures	-	-	334,652	334,652
Net change in fund balance	-	-	334,652	334,652
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 334,652	\$ 334,652

ORS 294.338 (10) exempts newly formed districts from Oregon budget law requirements during the fiscal year in which the district was formed.

**Jackson County 4-H, Master Gardener and Agricultural Extension Service District**  
**(a Component Unit of Jackson County, Oregon)**  
**Notes to Financial Statements**  
**For the period from inception to June 30, 2015**

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**1. Summary of significant accounting policies:**

The financial statements of the Jackson County 4-H, Master Gardener and Agricultural Extension Service 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 June 18, 2014, under authority of Oregon Revised Statutes (ORS) Chapter 451, by the Jackson County Board of Commissioners and began operations on July 1, 2014. In May 2014, upon voter approval by the citizens of Jackson County, a permanent tax rate limit of up to \$0.05 per \$1,000 of assessed value was set. The Jackson County Board of Commissioners, which also serves as the Board of the District, oversees policy direction for the District. The County Central Services fund has entered into a contractual agreement with the District to provide facility maintenance service for the District.

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. The District is reported as a non-major special revenue 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 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.

**Jackson County 4-H, Master Gardener and Agricultural Extension Service District**  
**(a Component Unit of Jackson County, Oregon)**  
**Notes to Financial Statements**  
**For the period from inception to June 30, 2015**

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**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:** ORS 294.338 (10) exempts newly formed districts from Oregon budget law requirements during the fiscal year in which the district was formed, and the fiscal year immediately following the fiscal year it was formed.

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 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 of the District. 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. **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 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.

**Jackson County 4-H, Master Gardener and Agricultural Extension Service District**  
**(a Component Unit of Jackson County, Oregon)**  
**Notes to Financial Statements**  
**For the period from inception to June 30, 2015**

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**1. Summary of significant accounting policies (Continued)**

g. **Receivables:** Property taxes receivable which 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.

h. **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 government 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.

i. **Net position and fund balance:** Net position is reported on the Statement of Net Position. The District's net position is restricted.

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. **Transactions with Jackson County:** The Jackson County Central Services Fund provides facility maintenance services for the District totaling \$53,319. General administrative functions are also performed by other departments of the County. Administrative services provided by departments in the County's internal service funds are performed on an internal cost reimbursement basis. Reimbursements for internal services were \$3,691. These amounts 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 County'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 managers' health benefits. The County experienced no claim losses in excess of coverage obtained from inception of the District to June 30, 2015.

**Jackson County 4-H, Master Gardener and Agricultural Extension Service District**  
**(a Component Unit of Jackson County, Oregon)**  
**Notes to Financial Statements**  
**For the period from inception to June 30, 2015**

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**4. Leases:** On July 9, 2014 the District and Jackson County entered into an intergovernmental agreement and real estate lease to enable County-owned property, known commonly as the Southern Oregon Research and Extension Center (SOREC), to be used by the District to provide a place for agriculture extension services to the residents of the District. The District shall pay the County as rent, the annual cost of building maintenance and capital projects. The term of the intergovernmental agreement and real estate lease is July 1, 2014, until terminated.

On December 31, 2014 the District entered into a sublease agreement with Oregon State University (OSU) for the SOREC property to enable OSU to provide such agricultural-related extension services and educational program to the residents of the District. There is no rents requirement and will terminate on December 31, 2029 with two successive 15-year renewal terms, unless sooner terminated.

**Supplementary Data**

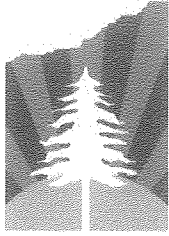
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**Jackson County 4-H, Master Gardener and Agricultural Service District**  
**(a Component Unit of Jackson County)**  
**Schedule of Property Tax Transactions and Outstanding Balances**  
**For the period from inception to June 30, 2015**

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	\$ -	\$ 871,937	\$ 21,999	\$ 613	\$ 822,950	\$ (1,997)	\$ 25,604
Prior	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 871,937</u>	<u>\$ 21,999</u>	<u>\$ 613</u>	<u>\$ 822,950</u>	<u>\$ (1,997)</u>	<u>\$ 25,604</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

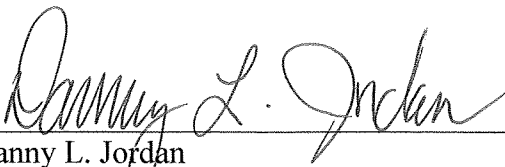
### Management Representation of Fiscal Affairs

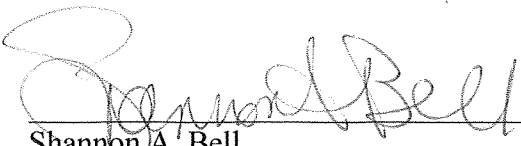
Required by Oregon Regulation

The Jackson County 4-H, Master Gardener, and Agricultural Extension Service 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

  
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Shannon A. Bell  
Finance Director/Registered Agent