Comprehensive Annual Financial Report

Jefferson County

West Virginia

FISCAL YEAR 2016

JULY 1, 2015 – JUNE 30, 2016

Jefferson County Commission
124 E Washington Street, Charles Town, WV 25414

www.jeffersoncountywv.org

JEFFERSON COUNTY, WEST VIRGINIA
COUNTY OFFICIALS
For the Fiscal Year Ended June 30, 2016

OFFICE	NAME	TERM
	Elective	
County Commission:	Jane M. Tabb	01-01-13 / 12-31-18
	Patsy Noland	01-01-15 / 12-31-20
	Peter Onoszko	07-21-16 / 12-31-20
	C. Dale Manuel	01-01-11 / 12-31-16
	Walt Pellish	01-01-11 / 12-31-16
	Eric Bell	01-01-15 / 06-30-16
Clerk of the County Commission:	Jennifer S. Maghan	01-01-11 / 12-31-16
Clerk of the Circuit Court:	Laura Storm	01-01-11 / 12-31-16
Sheriff:	Peter Dougherty	01-01-15 / 12-31-16
Prosecuting Attorney:	Ralph Lorenzetti	01-01-13 / 12-31-16
Assessor:	Angela Banks	01-01-13 / 12-31-16

JEFFERSON COUNTY, WEST VIRGINIA
SCHEDULE OF FUNDS INCLUDED IN REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General
Coal Severance Tax
County Capital Outlay
Impact Fees

NONMAJOR FUNDS

Special Revenue Funds

Dog and Kennel
General School
Magistrate Court
Worthless Check
Home Confinement
Federal Grant
State Grant
Flood Hazard Mitigation
Waste Coal
Assessor's Valuation
Farmland Proctection
Concealed Weapons
Voters Registration
Jury & Witness
Law Enforcement Forfeiture
Pros. Attny Forfeiture
Sub-Division Bond Forfeiture
Teen Court
Bardane Public Health Center

Capital Project Funds

Parks & Recreation Land Development

FIDUCIARY FUND TYPE

Agency Funds

State
School
Municipal
Other Agency

DISCRETELY PRESENTED COMPONENT UNITS

Board of Health
Economic Development Authority
Historic Landmarks Commission
Farmland Protection Board
Emergency Services Agency
Parks and Recreation Commission

BLENDED COMPONENT UNITS

Prepared by:
Michelle Gordon, Finance Director
Fiscal Year 2016
July 1, 2015 - June 30, 2016

JEFFERSON COUNTY, WEST VIRGINIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

As management of the Jefferson County Commission, West Virginia (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. Additionally, this discussion and analysis is designed to identify changes in the County's financial position (its ability to address the next and subsequent years' challenges), identify any material deviations from the financial plan or approved budget, and identify issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, it is best read in conjunction with the County's financial statements.

Financial Highlights

- The County's assets exceeded its liabilities at the close of the most recent fiscal year by $29.0 million (*net position*). Of the total net position, $8.1 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, $18.4 million is invested in capital assets with no related debt, and $2.5 million is restricted for specific purposes at the end of FY2016 (*restricted net position*).

- At the end of the fiscal year, the County had no bonded long-term debt obligations.

- The General Fund, on a current financial resource basis, reported a surplus of revenues over expenditures and other financial sources and uses of $1.3 million. According to WV Code 11-8-6e, the County is permitted to increase the Levy Rate each year without a public hearing as long as the levy rate increase doesn't result in an increase of more than 1% of the prior year projected property tax revenue. Fiscal year 2016 was the second consecutive year that the County approved a 0% property tax revenue increase. In FY 2016, the Class II Property levy rate was $28.38 cents per $100 of assessed value compared to $28.08 cents per $100 of assessed value in FY2015. Because the assessable base valuation increased by 2.7% or $85 million (from $3.1 billion in FY2015 to $3.2 billion in FY2016), tax revenue increased by $0.4 million from $12.1 million in FY2015 to $12.6 million in FY2016.

- At the end of the current fiscal year, the ending fund balance for the General Fund was $5.4 million or 24.5% of total General Fund expenditures (excluding transfers to other funds). This represents almost 3 months of General Fund expenditures and complies with the County financial policy requiring a minimum fund balance of 16.67%, and the State's financial policy requiring a minimum fund balance of 10.0% of General Fund operating expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of 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 Analysis. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. There are two (2) basic statements in the government-wide financial statements: The statement of net position and the statement of activities.

The *statement of net position* presents information on all of the County's assets, deferred outflow of resources, liabilities, and deferred inflow of resources. The total of assets plus deferred outflows of resources less the total of liabilities and deferred inflow of resources is reported as net position. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position and condition of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event 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*). The governmental activities of the County include general government, public safety, engineering, buildings and equipment maintenance, and economic and community development. The County has no business-type activities.

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements can be found on pages 5 and 6 of this report.

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 two categories: governmental funds; and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a County's near-term financing requirements.

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 County's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains twenty-four (24) individual governmental funds: the General; Coal Severance Tax; Capital Outlay; Impact Fees; Dog and Kennel; General School; Magistrate Court; Worthless Check; Home Confinement; Federal Grants; State Grants; Flood Hazard Mitigation; Waste Coal; Assessor's Valuation; Farmland Protection; Concealed Weapons, Voter's Registration; Unemployment Compensation; Jury and Witness; Law Enforcement Forfeiture; Prosecuting Attorney Forfeiture; Sub-Division Bond Forfeiture; Teen Court; and Bardane Public Health 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 all governmental funds.

The County adopts an annual appropriated budget for its individual General and Coal Severance Tax funds. Budgetary comparison statements are provided for the funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 7 through 11 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial 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. The basic fiduciary fund financial statements can be found on page 13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are part of the basic financial statements and can be found on pages 14 to 41.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 42 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial condition and position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $29.0 and $25.2 million at the close of the current and previous fiscal years.

Jefferson County's Net Position

	Governmental Activities	
	2016	2015
Current and other assets	$ 11,407,645	$ 10,152,293
Restricted assets	2,522,342	1,944,699
Capital assets	18,379,811	18,700,194
Total assets	32,309,798	30,797,186
Total deferred outflow of resources	1,764,249	1,384,881
Long-term liabilities outstanding	1,620,198	3,345,865
Other liabilities	835,624	1,062,914
Total liabilities	2,455,822	4,408,779
Total deferred inflow of resources	2,590,938	2,590,938
Net position:		
Net investment in capital assets	18,379,811	18,700,194
Restricted	2,522,342	1,831,457
Unrestricted	8,125,134	4,650,499
Total net position	$ 29,027,287	$ 25,182,150

The County's governmental activities net position increased by $3.9 million in the current fiscal year. Net position is divided into three categories – net investment in capital assets, restricted net position and unrestricted net position. The largest portion of the County's net position reflects its investments in capital assets (e.g. land, buildings, vehicles, machinery and equipment) in the amount of $18.4 million or 63.3%. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should also be noted that at the end of the current fiscal year, the County had no related debt for its capital assets.

Restricted net position represents 8.7% or $2.5 million of total net position. Restricted net position is resources that are subject to external restrictions on how they may be used. The County's total unrestricted net position has a balance of $8.1 million which represents 28.0% of total net positions. Unrestricted net position is used to meet the County's ongoing obligations to citizens, creditors, and employee pension plans.

Governmental activities: For the current fiscal year, total revenues for the governmental activities were $26.2 million, while total expenses were $21.7 million.

The following charts compare the revenue and expenses of the City's Governmental Activities:

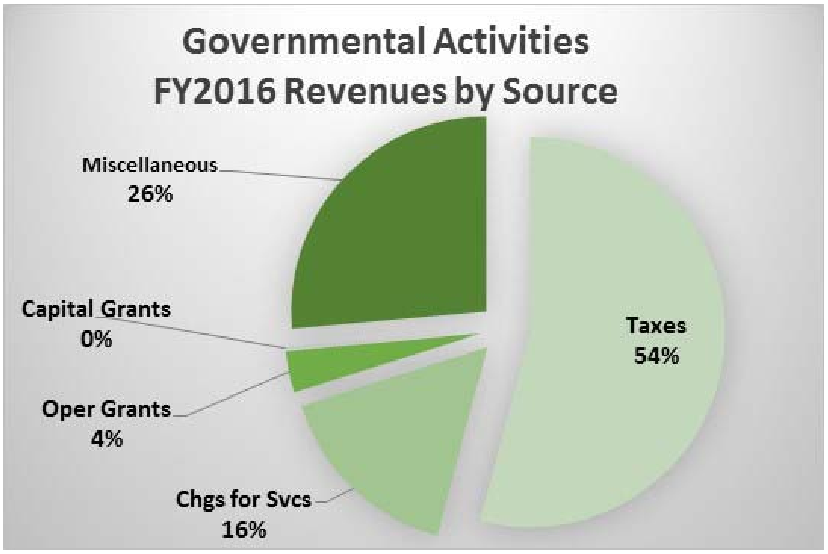
Jefferson County
Changes in Net Position
June 30, 2016 and 2015

	Governmental Activities 2016	Governmental Activities 2015
Revenues		
Program Revenues:		
Charges for services	$ 4,179,681	$ 3,764,598
Operating grants and contributions	906,534	906,534
Capital grants and contributions	3,181	3,181
General Revenues:		
Property taxes	12,588,991	12,141,652
Income and other taxes	1,590,471	1,486,747
Miscellaneous	6,917,739	8,694,043
Total Revenues	**26,186,597**	**26,996,755**
Expenses		
Program Expenses:		
General government	9,731,091	14,975,203
Public safety	10,531,298	10,577,613
Health and sanitation	10,138	16,015
Culture and recreation	1,241,716	1,217,776
Social services	14,755	22,525
Capital projects	160,285	506,633
Total Expenses	**21,689,283**	**27,315,765**
Change in net position	**4,497,314**	**(319,010)**
Net position-Beginning (restated)	24,529,973	24,848,983
Net position-Ending	$ 29,027,287	$ 24,529,973

The increase in net position for governmental activities was $4.5 million and can be largely attributed to the following:

- Property tax revenue increased by $0.5 million in FY2016. The property tax increase resulted from a combination of slightly increasing assessments and modest new construction.
- Charges for services increased by $0.4 million in FY2016. The increase is a result of increased billing by the Sheriff's office for security services provided to private organizations, and increased ambulance fee, franchise fee and 911 fee billings.
- General government expenses decreased by $5.2 million as a result of the County's necessary adjustments for Statement of Net Positions. Please see the reconciliation

schedule from the Governmental Funds to the Statement of Activities on page 6 for further details.



Financial Analysis of the Government's Funds

As noted earlier, Jefferson County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $12.6 million, an increase of $2.0 million from the prior year. Approximately 43.5% of the total fund balance ($12.6 million) constitutes assigned and unassigned fund balance ($5.5 million), which represents working capital available to support governmental operating needs and future years' expenditures. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed or is legally restricted as follows:

1) *Nonspendable and Restricted* fund balance represents amounts that are either legally restricted by outside parties for use for a specific purpose or are otherwise not available for appropriation ($0.4 million and $2.7 million, respectively)

2) *Committed* fund balance represents amounts that are reserved for a particular purpose by the Jefferson County Commissioners and would require action by that governing body to release the fund balance from its commitment ($4.0 million)

3) *Assigned and Unassigned* fund balance represents amounts reserved for tentative management plans that are subject to change or are unreserved ($4.9 million and $0.5 million, respectively)

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was $5.3 million, while total fund balance equals $5.5 million. As a measure of the General Fund's liquidity, it is useful to compare the assigned and unassigned fund balance to total fund expenditures. Assigned and unassigned fund balance represents 24.0% of total General Fund expenditures or almost three (3) months of fiscal expenditures.

The fund balance of the General Fund increased by $1.3 million during the current fiscal year. This increase is due to actual revenues in excess of expenditures. Below are some key elements for FY2016:

Revenue budgets were under approved or better than expected-

- Property taxes realized in FY2016 were $0.4 million more than FY2015. The increase is a result of slightly higher than expected assessable base figures for both real estate and personal property taxes. Additionally, other taxes in FY2016 were $0.2 million more than FY2015. Other taxes include hotel occupancy tax, and gas and oil severance tax. Increases in those tax types is an indication that the overall economic conditions in Jefferson County are favorable.
- Charges for services realized in FY2016 were $0.5 million higher than in FY2015. The increase is a result of increased billing by the Sheriff's office for security services provided to private organizations, and increased ambulance fee, franchise fee and 911 fee receipts.

Expenditures (excluding transfers to other funds) were over budgeted or lower than expected-

- Wages and Benefits were $0.3 million lower than budgeted. Management instituted a strict vacancy management procedure whereby all vacant positions were not immediately refilled and were evaluated for need prior to filling them.
- Expenditures for professional services, contracted services and regional jail fees were $0.3 million less than originally budgeted.

The Capital Outlay fund has a total fund balance of $3.9 million. Of the total fund balance, certain amounts are restricted to indicate that it is not available for new spending because it has already been committed or is legally restricted for capital projects as follows:

1. *Restricted* fund balance represents amounts that are either legally restricted by outside parties for use for a specified purpose or are otherwise not available for appropriation. At the end of the current fiscal year, restricted fund balance totaled $5,800.

2. *Committed* fund balance represents amounts that are reserved for a particular purpose by the County Commissioners and would require action by that governing body to release the fund balance from its commitment ($3.9 million). Included in that $3.9 million committed balance is $2.0 million, which represents the County's minimum fund balance reserve required by financial policy. For use of funds in excess of the minimum fund balance reserve, a unanimous approval from the Commissioners is required to transfer monies from the Capital Outlay fund to an operating fund. Funds expended from the Capital Outlay fund for capital improvement projects require a majority approval of the Commissioners.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget in fiscal year 2016 increased by $0.7 million. Following is a summary of budget changes for the current fiscal year:

Description	General Fund Increase/ (Decrease)
General government expenditure	$ 1,196,480
Public safety expenditure	254,227
Culture and recreation expenditure	85,500
Total	1,536,207

During the year, actual revenues were $154,436 less than the amended budget. This variance was primarily due to: 1) Tax revenue was ($286,729) less than estimated expected; and, 2) offset by the accrual adjustment for ambulance fee billing which resulted in a favorable variance of $192,393. Overall, total actual expenditures for the current fiscal year were $833,152 less than the amended budget. Of that variance, wages and benefits were $287,674 lower than the amended budget due to vacancy management.

Capital Asset and Debt Administration

Capital assets. Jefferson County's investment in capital assets for its governmental activities as of June 30, 2016, amounts to $18.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, structures and land improvements, machinery and equipment, vehicles, and construction in progress. The total net decrease in County's investment in capital assets for the current fiscal year was ($0.3) million. Depreciation expense totaled $1.1 million. That was offset by $0.1 million in new construction in progress for an electronic pollbook system and a CAD system for the 911 communications center, $0.3 million in improvements to structures, and $0.2 million in new equipment.

Jefferson County's Capital Assets
Net of Depreciation

	Governmental Activities	
	2016	2015
Land	$ 866,554	$ 866,554
Construction in progress	145,827	-
Buildings	13,496,477	13,985,087
Structures and improvements	1,946,515	1,752,908
Vehicles	306,305	313,663
Machinery and equipment	1,618,133	1,781,982
Total capital assets	$ 18,379,811	$ 18,700,194

Additional information on the governmental activities fixed assets can be found in Note III. D., page 24 of this report.

Long-term debt. At the end of the current fiscal year, the County had no long-term bonded debt outstanding. Long-term liabilities presented on the government-wide financial statements relate to the County's net other post employment benefit obligations, net pension liability and compensated absences.

Economic Factors and Next Year's Budgets and Rates

In FY16, the County's Property Tax Levy Rate was approaching the maximum levy rate allowed by State law. The decision in FY16 to implement a 0% property tax revenue increase has better positioned the County financially for future years and continues to remain a key factor for future revenue planning. Additionally, the County's assessable base decreased from $4.0 billion in FY2009 to a low of $3.0 billion in FY2014. The County is beginning to realize assessable base increases due to new construction and modest economic improvement. In FY2016, the County's assessable base was $3.2 billion.

The FY17 budget will continue to focus on reducing the County's reliance on gambling revenues in its General Fund operating budget by cutting expenditures, transferring excess to capital outlay, diversifying revenues and re-evaluating existing revenues to ensure that the cost of providing services is being covered by fees being charged for those services. From FY2012 to FY2016, gambling revenue decreased from $5.9 million to $4.1 million (30.5%) which is approximately $1.8 million annually in decreased revenue. The reduction resulted from legislation enacted in nearby Maryland which allowed gambling casinos to open and operate. Revenue assumptions for FY17 and FY18 will include additional decreases in gambling revenue in response to the anticipated opening of a new casino in National Harbor by the end of the calendar year 2016.

Due to decreases in revenues, employees have not received regular annual increases for merit or cost of living adjustments; and, the County has absorbed the brunt of medical insurance premium increases. The Commission recognizes that employees are one of its most valuable assets and recognition of the service provided by County employees will need to be built into future expenditure projections through cost of living adjustments.

Other fiduciary measures will include reductions in discretionary spending by departments, streamlining departments with overlapping functions to create efficiencies and cost savings, and planning for future capital outlay needs. Doing so will provide for a more sustainable future for the County.

A complete copy of the County's budget is available with additional details on our web site at www.jeffersoncountywv.org

Requests for Information

This financial report is designed to provide a general overview of Jefferson County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Department of Finance, Jefferson County, 124 East Washington Street, Charles Town, WV 25414 or by telephone at (304) 724-3284. Complete financial reports are also available on our web site, www.jeffersoncountywv.org

JEFFERSON COUNTY, WEST VIRGINIA
STATEMENT OF NET POSITION (Unaudited)
June 30, 2016

	Primary Government	Component Units					
	Governmental Activities	Board of Health	Development Authority	Historic Landmarks	Farmland Protection	Emergency Services	Parks and Recreation
ASSETS							
Current assets:							
Cash and cash equivalents	$ 9,965,298	$ 1,242,537	$ 686,548	$ 16,369	$ 2,381,423	$ 1,068,036	$ 640,052
Receivables, net of allowance for uncollectibles:							
Taxes	685,672	- -	- -	- -	93,992	- -	- -
Accounts	349,677	72,179	307,204	- -	- -	23,886	1,410
Intergovernmental Receivables	307,200	- -	- -	- -	- -	- -	- -
Inventory, at cost	5,224	- -	- -	- -	- -	- -	- -
Prepaid expenses	94,574	3,763	2,875	- -	3,000	- -	- -
Total current assets	11,407,645	1,318,479	996,627	16,369	2,478,415	1,091,922	641,462
Restricted assets:							
Other Assets	- -	- -	202	- -	- -	- -	- -
Restricted cash	2,522,342	- -	38,433	- -	- -	- -	- -
Capital assets:							
Nondepreciable:							
Land	866,554	- -	6,354,574	825,166	- -	550,000	688,335
Construction in progress	145,827	- -	- -	- -	- -	- -	406,663
Depreciable:							
Buildings	19,024,780	- -	- -	298,333	- -	1,366,998	- -
Structures and improvements	2,453,036	- -	- -	- -	- -	- -	- -
Vehicles	1,864,746	- -	- -	- -	- -	- -	- -
Machinery and equipment	7,263,285	- -	36,088	1,644	1,664	539,462	288,369
Less: accumulated depreciation	(13,238,417)	- -	(21,385)	(12,723)	- -	(741,236)	(110,586)
Intangible assets, net of accumulated depreciation	- -	- -	31,450	- -	- -	- -	- -
Total noncurrent assets	20,902,153	- -	6,439,362	1,112,420	1,664	1,715,224	1,272,781
Total assets	32,309,798	1,318,479	7,435,989	1,128,789	2,480,079	2,807,146	1,914,243
DEFERRED OUTFLOWS							
Related to Pensions	1,764,249	- -	- -	- -	- -	- -	- -
Total deferred outflows of resources	1,764,249	- -	- -	- -	- -	- -	- -
LIABILITIES							
Current liabilities payable from current assets:							
Accounts payable	365,769	18,360	128	- -	- -	11,629	21,393
Refunds payable	226	- -	- -	- -	- -	- -	- -
Payroll payable	169,582	3,769	- -	- -	- -	53,430	61,883
Intergovernmental payable	272,766	- -	10,678	- -	- -	- -	- -
Current liabilities payable from restricted assets: restricted assets:							
Notes payable	- -	- -	155,214	- -	- -	29,880	- -
Interest payable	- -	- -	172,341	- -	- -	1,161	- -
Unearned revenues - other fees	27,281	- -	- -	- -	- -	- -	- -
Noncurrent liabilities:							
Notes payable - due in more than one year	- -	- -	4,918,251	- -	- -	1,118,901	- -
OPEB payable (non-participating)	53,729	181,362	- -	- -	- -	- -	86,844
Net pension liability	922,462	- -	- -	- -	- -	- -	- -
Compensated absences payable	644,007	- -	- -	- -	- -	45,667	- -
Total liabilities	2,455,822	203,491	5,256,612	- -	- -	1,260,668	170,120
DEFERRED INFLOWS							
Related to pensions	2,590,938	- -	- -	- -	- -	- -	- -
Total deferred inflows of resources	2,590,938	- -	- -	- -	- -	- -	- -
NET POSITION							
Net investment in capital assets, net of related debt	18,379,811	- -	14,703	1,112,420	- -	566,443	716,420
Restricted for:							
Community development projects	- -	- -	38,635	- -	- -	- -	- -
Other purposes	2,522,342	- -	- -	- -	- -	81,000	- -
Unrestricted	8,125,134	1,114,988	2,126,039	16,369	2,480,079	899,035	1,027,703
Total net position	$ 29,027,287	$ 1,114,988	$ 2,179,377	$ 1,128,789	$ 2,480,079	$ 1,546,478	$ 1,744,123

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

JEFFERSON COUNTY, WEST VIRGINIA
STATEMENT OF ACTIVITIES (Unaudited)
For the Fiscal Year Ended June 30, 2016

		Program Revenues			Net (Expense) Revenues and Changes in Net Position							
					Primary Government		Component Units					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total	Board of Health	Development Authority	Historic Landmark	Farmland Protection	Emergency Services	Parks and Recreation
<u>Functions / Programs</u>												
Primary government:												
Governmental activities:												
General government	$ 9,731,091	$ 4,179,681	$ 358,638	$ - -	$ (5,192,772)	$ (5,192,772)						
Public safety	10,531,298	- -	346,003	3,181	(10,182,114)	(10,182,114)						
Health and sanitation	10,138	- -	30,000	- -	19,862	19,862						
Culture and recreation	1,241,716	- -	74,250	- -	(1,167,466)	(1,167,466)						
Social services	14,755	- -	52,496	- -	37,741	37,741						
Capital projects	160,285	- -	- -	- -	(160,285)	(160,285)						
Education	- -	- -	45,147	- -	45,147	45,147						
Total governmental activities	21,689,283	4,179,681	906,534	3,181	(16,599,887)	(16,599,887)						
Total primary government	$ 21,689,283	$ 4,179,681	$ 906,534	$ 3,181	(16,599,887)	(16,599,887)						
Component units:												
Board of Health	984,465	327,321	546,492	- -	- -	- -	$ (110,652)	$ - -	$ - -	$ - -	$ - -	$ - -
Economic Development	588,716	- -	- -	- -	- -	- -	- -	(588,716)	- -	- -	- -	- -
Historic Landmark	134,612	- -	162,868	- -	- -	- -	- -	- -	28,256	- -	- -	- -
Farmland Protection	127,846	- -	12,218	- -	- -	- -	- -	- -	- -	(115,628)	- -	- -
Emergency Services Agency	2,255,131	20,750	200	- -	- -	- -	- -	- -	- -	- -	(2,234,181)	- -
Parks and Recreation	1,113,131	500,925	93,222	- -	- -	- -	- -	- -	- -	- -	- -	(518,984)
Total component units	$ 5,203,901	$ 848,996	$ 815,000	$ - -	$ - -	$ - -	$ (110,652)	$ (588,716)	$ 28,256	$ (115,628)	$ (2,234,181)	$ (518,984)
General revenues:												
Ad valorem property taxes					$ 12,588,991	$ 12,588,991	$ - -	$ - -	$ - -	$ - -	$ - -	$ - -
Alcoholic beverages tax					36,831	36,831	- -	- -	- -	- -	- -	- -
Hotel occupancy tax					652,945	652,945	- -	- -	- -	- -	- -	- -
Gas and oil severance tax					95,320	95,320	- -	- -	- -	- -	- -	- -
Other taxes					695,657	695,657	- -	- -	18,640	697,157	- -	288,855
Coal severance tax					109,718	109,718	- -	- -	- -	- -	- -	- -
Licenses and permits					1,371,481	1,371,481	- -	- -	- -	- -	- -	- -
Intergovernmental:												
Federal					(437,290)	(437,290)	- -	38,235	107,965	- -	- -	- -
State					130,474	130,474	- -	397,932	- -	- -	- -	- -
Local					- -	- -	- -	- -	- -	- -	2,329,312	266,611
Interest and investment earnings					61,817	61,817	6,193	4,898	- -	13,182	2,728	3,098
Refunds					184,020	184,020	- -	- -	- -	- -	- -	- -
Reimbursement					576,855	576,855	- -	- -	- -	- -	- -	- -
Net gain (loss) on sale of investments					(15,441)	(15,441)	- -	(154,653)	- -	- -	- -	- -
Miscellaneous					5,045,823	5,045,823	4,723	30,392	344	- -	1,470	18,391
Total general revenues					21,097,201	21,097,201	10,916	316,804	126,949	710,339	2,333,510	576,955
Change in net position					4,497,314	4,497,314	(99,736)	(271,912)	155,205	594,711	99,329	57,971
Net position - beginning (restated, Note III-J)					24,529,973	24,529,973	1,214,724	2,451,289	973,584	1,885,368	1,447,149	1,686,152
Net position - ending					$ 29,027,287	$ 29,027,287	$ 1,114,988	$ 2,179,377	$ 1,128,789	$ 2,480,079	$ 1,546,478	$ 1,744,123

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

JEFFERSON COUNTY, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS (Unaudited)
June 30, 2016

	General	Coal Severance Tax	County Capital Outlay	Impact Fees	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS						
Assets						
Cash and cash equivalents	$ 5,372,779	$ 106,187	$ 4,116,329	$ - -	$ 370,003	$ 9,965,298
Receivables, net of allowance for uncollectibles:						
Taxes	685,672	- -	- -	- -	- -	685,672
Accounts	349,677	- -	- -	- -	- -	349,677
Intergovernmental receivable	283,717	- -	- -	- -	23,447	307,164
Due from:						
Other funds	36,076	- -	5,800	- -	246,029	287,905
Inventory, at cost	5,224	- -	- -	- -	- -	5,224
Prepaid expenses	93,322	- -	- -	- -	1,252	94,574
Restricted cash	- -	- -	- -	2,522,342	- -	2,522,342
Total assets	6,826,467	106,187	4,122,129	2,522,342	640,767	14,217,892
Deferred Outflows						
Total deferred outflows of resources	- -	- -	- -	- -	- -	- -
Total assets and deferred outflows of resources	$ 6,826,467	$ 106,187	$ 4,122,129	$ 2,522,342	$ 640,767	$ 14,217,892
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities						
Accounts payable	326,148	- -	- -	- -	39,621	365,769
Refunds payable	226	- -	- -	- -	- -	226
Payroll payable	169,582	- -	- -	- -	- -	169,582
Intergovernmental payable	267,766	- -	- -	- -	5,000	272,766
Due to:						
Other funds	51,485	- -	202,233	- -	34,187	287,905
Unearned revenue - other fees	27,281	- -	- -	- -	- -	27,281
Total liabilities	842,488	- -	202,233	- -	78,808	1,123,529
Deferred Inflows						
Deferred revenue - taxes	530,903	- -	- -	- -	- -	530,903
Total deferred inflows of resources	530,903	- -	- -	- -	- -	530,903
Total liabilities and deferred inflows of resources	1,373,391	- -	202,233	- -	78,808	1,654,432
Fund balances						
Nonspendable	134,622	- -	5,800	- -	247,281	387,703
Restricted	- -	106,187	- -	2,522,342	102,288	2,730,817
Committed	- -	- -	3,914,096	- -	70,457	3,984,553
Assigned	4,799,000	- -	- -	- -	141,933	4,940,933
Unassigned	519,454	- -	- -	- -	- -	519,454
Total fund balances	5,453,076	106,187	3,919,896	2,522,342	561,959	12,563,460
Total liabilities, deferred inflows and fund balances	$ 6,826,467	$ 106,187	$ 4,122,129	$ 2,522,342	$ 640,767	$ 14,217,892

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

JEFFERSON COUNTY, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (Unaudited)
June 30, 2016

Total fund balances on the governmental fund's balance sheet		$ 12,563,460
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds. (Note III - D)		18,379,811
Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. (Note III - B)		530,903
Deferred outflows and inflows of resources related to pensions are applicable to future periods and are therefore not reported in the funds. Amounts for the fiscal year ended June 30, 2016 were as follows:		
Deferred outflow - Changes in employer portion and differences between contributions and proportionate share of pension expense	$ 153,803	
Deferred outflow - Employer contributions to pension plan after measurement date	3,278,922	
Deferred inflow - Differences between projected and actual investment earnings	(2,590,938)	841,787
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. This is Increase/Decrease in Compensated Absences and OPEB Liability (Note IV - F), and Net Pension Liability (Note V)		(3,288,674)
Net position of governmental activities		$ 29,027,287

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

JEFFERSON COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (Unaudited)
For the Fiscal Year Ended June 30, 2016

	General	Coal Severance Tax	County Capital Outlay	Impact Fees	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem property taxes	$ 12,559,112	$ - -	$ - -	$ - -	$ - -	$ 12,559,112
Alcoholic beverages tax	36,831	- -	- -	- -	- -	36,831
Hotel occupancy tax	652,945	- -	- -	- -	- -	652,945
Gas and oil severance tax	95,320	- -	- -	- -	- -	95,320
Other taxes	676,959	- -	- -	- -	- -	676,959
Coal severance tax	- -	109,718	- -	- -	- -	109,718
Licenses and permits	241,604	- -	- -	1,033,068	96,809	1,371,481
Intergovernmental:						
Federal	177,112	- -	- -	- -	96,696	273,808
State	- -	- -	- -	- -	329,091	329,091
Charges for services	3,693,367	- -	- -	- -	103,110	3,796,477
Fines and forfeits	112,660	- -	- -	- -	270,544	383,204
Interest and investment earnings	30,916	378	19,471	10,518	534	61,817
Refunds	184,020	- -	- -	- -	- -	184,020
Reimbursements	- -	- -	- -	- -	576,855	576,855
Payments in lieu of taxes	18,698	- -	- -	- -	- -	18,698
Contributions and donations	14,800	- -	- -	- -	5,460	20,260
Miscellaneous	4,336,938	- -	- -	- -	688,625	5,025,563
Total revenues	22,831,282	110,096	19,471	1,043,586	2,167,724	26,172,159
EXPENDITURES						
Current:						
General government	10,717,855	- -	1,890	352,701	1,435,345	12,507,791
Public safety	10,330,492	- -	- -	- -	133,634	10,464,126
Health and sanitation	- -	10,138	- -	- -	- -	10,138
Culture and recreation	1,139,389	- -	- -	- -	- -	1,139,389
Social services	10,275	- -	- -	- -	4,480	14,755
Capital outlay	- -	- -	239,910	- -	66,202	306,112
Total expenditures	22,198,011	10,138	241,800	352,701	1,639,661	24,442,311
Excess (deficiency) of revenues over expenditures	633,271	99,958	(222,329)	690,885	528,063	1,729,848
OTHER FINANCING SOURCES (USES)						
Transfers in	689,688	- -	5,800	- -	238,324	933,812
Transfers (out)	(43,781)	- -	(200,343)	- -	(689,688)	(933,812)
Total other financing sources (uses)	645,907	- -	(194,543)	- -	(451,364)	- -
Net change in fund balances	1,279,178	99,958	(416,872)	690,885	76,699	1,729,848
Fund balances - beginning (restated Note III-J)	4,173,898	6,229	4,336,768	1,831,457	485,260	10,833,612
Fund balances - ending	$ 5,453,076	$ 106,187	$ 3,919,896	$ 2,522,342	$ 561,959	$ 12,563,460

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

JEFFERSON COUNTY, WEST VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (Unaudited)
For the Fiscal Year Ended June 30, 2016

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

Net change in fund balances - total governmental funds			$ 1,729,848
Capital outlays are reported as an expenditure in the governmental funds but are considered an asset at the government-wide level. This is the amount of capital assets that were purchased during the fiscal year. (Note III-D)			1,348,166
Capital outlays are reported as an expenditure in the governmental funds. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense charged during the year. (Note III-D)			(1,117,596)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (Note III-D)			(15,441)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between prior and current year deferred revenues. (Notes III-B)			
Prior year deferred revenues:	$	501,024	
Current year deferred revenues:		530,903	29,879
Governmental Funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense and are recognized on the accrual basis of accounting in accordance with GASB 68.			
Amount of pension expenditures at fund modified accrual level	$	2,841,524	
Amount of pension expenses recognized at government-wide level		(303,933)	2,537,591
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Decrease in Compensated Absences plus OPEB.			(15,133)
Change in net position of governmental activities			$ 4,497,314

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

JEFFERSON COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Unaudited)
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance with Final Budget
	Original	Final	Modified Accrual Basis	Budget Basis	Budget Basis	Positive (Negative)
REVENUES						
Taxes:						
Ad valorem property taxes	$ 12,877,514	12,864,514	$ 12,559,112	$ - -	$ 12,559,112	$ (305,402)
Alcoholic beverages tax	32,000	36,000	36,831	- -	36,831	831
Hotel occupancy tax	549,500	635,000	652,945	- -	652,945	17,945
Gas and oil severance tax	41,000	95,000	95,320	- -	95,320	320
Other taxes	610,686	676,686	676,959	- -	676,959	273
Licenses and permits	200,196	300,196	241,604	- -	241,604	(58,592)
Intergovernmental:						
Federal	160,462	160,462	177,112	- -	177,112	16,650
Charges for services	3,203,668	3,457,168	3,693,367	- -	3,693,367	236,199
Fines and forfeitures	- -	- -	112,660	- -	112,660	112,660
Interest and investment earnings	115,290	115,290	30,916	- -	30,916	(84,374)
Refunds	277,873	299,873	184,020	- -	184,020	(115,853)
Payments in lieu of taxes	11,676	11,676	18,698	- -	18,698	7,022
Contributions and donations	- -	14,800	14,800	- -	14,800	- -
Miscellaneous	3,919,653	4,331,033	4,336,938	- -	4,336,938	5,905
Total revenues	21,999,518	22,997,698	22,831,282	- -	22,831,282	(166,416)
EXPENDITURES						
Current:						
General government	14,702,163	15,898,643	10,717,855	- -	10,717,855	5,180,788
Public safety	10,344,618	10,598,845	10,330,492	- -	10,330,492	268,353
Culture and recreation	1,057,160	1,142,660	1,139,389	- -	1,139,389	3,271
Total expenditures	26,114,216	27,650,423	22,198,011	- -	22,198,011	5,452,412
Excess (deficiency) of revenues over expenditures	(4,114,698)	(4,652,725)	633,271	- -	633,271	5,285,996
OTHER FINANCING SOURCES (USES)						
Transfers in	714,698	700,740	689,688	- -	689,688	(11,052)
Transfers (out)	- -	- -	(43,781)	- -	(43,781)	(43,781)
Total other financing sources (uses)	714,698	700,740	645,907	- -	645,907	(54,833)
Net change in fund balance	(3,400,000)	(3,951,985)	1,279,178	- -	1,279,178	5,231,163
Fund balance - beginning (restated Note III J)	3,400,000	3,951,985	4,173,898	- -	4,173,898	221,913
Fund balance - ending	$ - -	$ - -	$ 5,453,076	$ - -	$ 5,453,076	$ 5,453,076

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

JEFFERSON COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
COAL SEVERANCE TAX FUND (Unaudited)
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance with Final Budget
	Original	Final	Modified Accrual Basis	Budget Basis	Budget Basis	Positive (Negative)
REVENUES						
Taxes:						
Coal severance tax	$ 145,000	$ 143,771	$ 109,718	$ - -	$ 109,718	$ (34,053)
Interest and investment earnings	250	250	378	- -	378	128
Total revenues	145,250	144,021	110,096	- -	110,096	(33,925)
EXPENDITURES						
Current:						
General government	135,250	135,250	- -	- -	- -	135,250
Health and sanitation	15,000	15,000	10,138	- -	10,138	4,862
Total expenditures	150,250	150,250	10,138	- -	10,138	140,112
Excess (deficiency) of revenues over expenditures	(5,000)	(6,229)	99,958	- -	99,958	106,187
OTHER FINANCING SOURCES (USES)						
Total other financing sources (uses)	- -	- -	- -	- -	- -	- -
Net change in fund balance	(5,000)	(6,229)	99,958	- -	99,958	106,187
Fund balance - beginning	5,000	6,229	6,229	- -	6,229	- -
Fund balance - ending	$ - -	$ - -	$ 106,187	$ - -	$ 106,187	$ 106,187

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

JEFFERSON COUNTY, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS (Unaudited)
For the Fiscal Year Ended June 30, 2016

		Agency Funds
ASSETS		
Non-pooled cash	$	1,113,736
Total assets		1,113,736
DEFERRED OUTFLOWS		
Total deferred outflows of resources		- -
Total assets and deferred outflows of resources	$	1,113,736
LIABILITIES		
Due to: other governments		1,113,736
Total liabilities		1,113,736
DEFERRED INFLOWS		
Total deferred inflows of resources		- -
Total liabilities and deferred inflows of resources	$	1,113,736

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Jefferson County, West Virginia (the government), conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

A. Reporting Entity

Jefferson County (government) is one of fifty-five counties established under the Constitution and the Laws of the State of West Virginia. There are six offices elected county-wide, which are: County Commission, County Clerk, Circuit Clerk, Assessor, Sheriff, and Prosecuting Attorney.

The County Commission is the legislative body for the government, and as such budgets and provides all the funding used by the separate Constitutional Offices except for the offices of the Assessor and the Sheriff, which also have additional revenue sources. The County Clerk's office maintains the accounting system for the County's operations. The operations of the County as a whole, however, including all the Constitutional offices have been combined in these financial statements.

The services provided by the government and accounted for within these financial statements include law enforcement for unincorporated areas of the County, health and social services, cultural and recreational programs, and other governmental services.

The accompanying financial statements present the government and its component units as required by generally accepted accounting principles. In determining whether to include a governmental department, agency, commission or organization as a component unit, the government must evaluate each entity as to whether they are legally separate and financially accountable based on the criteria set forth by the Governmental Accounting Standards Board (GASB). Legal separateness is evaluated on the basis of: (1) its corporate name, (2) the right to sue and be sued, and (3) the right to buy, sell or lease and mortgage property. Financial accountability is based on: (1) the appointment of the governing authority and (2) the ability to impose will or (3) the providing of specific financial benefit or imposition of specific financial burden. Another factor to consider in this evaluation is whether an entity is fiscally dependent on the County.

Discretely Presented Component Units

Discretely presented component units are entities which are legally separate from the County, but are financially accountable to the County, or whose relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Because of the nature of services they provide and the County's ability to impose its will on them or a financial benefit/burden relationship exists, the following component units are discretely presented in accordance with GASB Statement No. 14 (as amended by GASB Statement 39 and GASB Statement 61). The discretely presented component units are presented on the government-wide statements.

The Jefferson County Board of Health serves citizens of Jefferson County and is governed by a five-member board appointed by the County Commission. The Board of Health is responsible

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

for directing, supervising and carrying out matters related to public health of the County. West Virginia statute dictates the County is legally obligated to provide financial support to the board.

The Jefferson County Economic Development Authority serves Jefferson County, West Virginia, and is governed by a board comprised of 15 members appointed by the County Commission. The Jefferson County Economic Development Authority develops property on behalf of the County and also provides services to external parties.
The Jefferson County Parks and Recreation serves all citizens of Jefferson County by providing recreational services and is governed by an eleven-member board appointed by the County Commission. The County provides financial support to the Board on an annual basis.

The Jefferson County Emergency Services Agency serves citizens of Jefferson County by providing emergency ambulance services and is governed by a nine-member board appointed by the County Commission. The County provides financial support to the Board on an annual basis.

The Jefferson County Farmland Protection Board serves all citizens of Jefferson County by promoting the protection of agriculture within the county and is governed by a seven member board appointed by the county commission.

The Jefferson County Historic Landmarks Commission serves Jefferson County by preserving historic structures within the unincorporated areas of Jefferson County and by educating the public about the county's heritage, and is governed by a five member board appointed by the County Commission. The county provides financial support to the Commission.

Complete financial statements for each of the individual component units can be obtained at the entity's administrative offices.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. No business-type activities are provided or reported by the government. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Interest on general long-term debt

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Combining financial statements for the nonmajor governmental funds are included as supplementary information.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collectible. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The government reports the following major governmental funds:

The *General fund* is the government's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.

The *Coal Severance Tax fund*, a special revenue fund, accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia counties. The State Auditor's Office requires an annual budget be submitted for approval for this fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The *Capital Outlay fund*, a capital projects fund, accounts for revenues and expenditures related to capital outlay expenditures of the county.

The *Impact Fee fund*, a special revenue fund, accounts for revenues collected for schools, parks, fire, EMS and law enforcement capacity improvements.

Additionally, the government reports one fiduciary fund type:

The *Agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the full accrual basis of accounting. These funds are used to account for assets that Jefferson County, West Virginia holds for others in an agency capacity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Deposits and Investments

Jefferson County, West Virginia's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than three months from the date of acquisition.

If it is determined that the available interest rate offered by an acceptable depository in the county is less than the interest rate, net of administrative fees referred to in article six, chapter twelve of the West Virginia Code, offered it through the state board of investments, the county treasurer may, with the approval of each fiscal body whose funds are involved, make such funds available to the state board of investments for investment in accordance with the provisions of article six, chapter twelve of the code.

State statutes authorize the government to enter into agreements with the State Treasurer for the investment of monies. Authority is provided for investment in the Investment Management Board, the West Virginia Board of Treasury or the Municipal Bond Commission, or to invest such funds in the following classes of securities: Any investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. §80a, the portfolio of which is limited: (i) To obligations issued by or guaranteed as to the payment of both principal and interest by the United States of America or its agencies or instrumentalities; and (ii) to repurchase agreements fully collateralized by obligations of the United States government or its agencies or instrumentalities: Provided, That the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian: Provided, however, That the investment company or investment trust is rated within one of the top two rating categories of any nationally recognized rating service such as Moody's or Standard & Poor's.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Receivables and Payables

Interfund Transactions
Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables or payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property Tax Receivable
All trade and property tax receivables are shown net of an allowance for un-collectibles. All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on September 1 of the year for which the assessment is made, and becomes delinquent on October first; the second installment is payable on the first day the following March and becomes delinquent on April 1. Taxes paid on or before the date when they are payable, including both first and second installments, are allowed a discount of two and one-half percent (2.5%). If the taxes are not paid on or before the date in which they become delinquent, including both first and second installments, interest at the rate of nine percent (9%) per annum is added from the date they become delinquent until the date they are paid. A tax lien is issued for all unpaid real estate taxes as of the date of the sheriff's sale and these liens are sold between October 14th and November 23rd of each year. Sixty (60) days of estimated property tax collections are recorded in revenues at the end of each fiscal year.

All counties within the state are authorized to levy taxes not in excess of the following maximum levies per $100 of assessed valuation: On Class I property, fourteen and three-tenths cents (14.30 cents); On Class II property, twenty-eight and six-tenths cents (28.60 cents); On Class III property, fifty-seven and two-tenths cents (57.20 cents); On Class IV property, fifty-seven and two-tenths cents (57.20 cents). In addition, counties may provide for an election to lay an excess levy; the rates not to exceed statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the County per $100 of assessed valuation for each class of property for the fiscal year ended June 30 were as follows:

Class of Property	Assessed Valuation for Tax Purposes	Current Expense
Class I	$ -	$ 14.19
Class II	1,977,898,240	28.38
Class III	851,651,539	56.76
Class IV	376,990,644	56.76

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Inventories and Prepaid Items

The cost of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Restricted Assets

Certain assets of the Impact Fees special revenue funds are classified as restricted assets because their use is restricted by state statutes.

The "reserve" account is used to report resources set aside to make up potential future deficiencies in the regular account.

5. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $10,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

The government depreciates the capital assets using the straight-line method. Capital assets depreciation and capitalization policies are defined by the government as follows:

Asset	Straight-line Useful Life	Value for Inventory Purposes	Capitalize/ Depreciate
Land	Not applicable	$ 1	$ Capitalize only
Land improvement	20 to 30 years	1	10,000
Building	35 years	1	10,000
Building improvements	20 to 25 years	1	10,000
Construction in Progress	Not applicable	1	Capitalize only
Equipment	5 to 10 years	1,000	10,000
Vehicles	5 to 10 years	1,000	10,000

6. Compensated Absences

Employees are permitted to carryover a limited amount of vacation and an unlimited amount of sick leave benefits at the end of a calendar year. The amount of vacation and sick leave

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

benefits permitted to be carried over is dependent on the department for which the employee works. No liability is reported for unpaid accumulated sick leave. All vacation pay is accrued when incurred in the government-wide financial statements in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*.

When a permanent full time employee retires, the employee has the option of being paid for accrued vacation only or applying both accrued vacation and sick leave to additional months of service for retirement benefits at the conversion of ten (10) days of leave for one (1) month of additional service credit.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

8. Fund Balances

In the governmental fund financial statements, fund balance is reported in five classifications.

Nonspendable fund balance	Includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.
Restricted	Includes amounts that are restricted to specific purposes when the constraints are externally imposed by creditors, grantors, contributors or the laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
Committed	Includes amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the County's highest level of decision-making authority, the County Commission, and that remain binding unless removed in the same manner. Additionally, the approval does not automatically lapse at the end of the fiscal year.
Assigned	The portion of net resources that has been approved by formal action of the County Commission/other official authorized to assign amounts for any amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
Unassigned	The portion of net resources in excess of the nonspendable, restricted, committed and assigned balances.

The County Commission is the government's highest level of decision-making authority. The Commission would take formal action to establish, and modify or rescind, a fund balance commitment or to assign fund balance amounts to a specific purpose. The government has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The government has the authority to deviate from this policy if it is in the best interest of the County.

9. 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.

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 county has two (2) items that qualify for reporting in this category; 1) one which arises only under the modified accrual basis of accounting is *unavailable revenue;* and, 2) the other is a *deferred charge for pension related activity*, which results from a change in assumptions.

Unavailable revenue. The unavailable revenue is only reported in the governmental funds balance sheet. The county reports unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Jefferson Country's Public Employees Retirement System (PERS) and the West Virginia Deputy Sheriff Retirement System (WVDRS) and additions to/deductions from PERS' and WVDRS' fiduciary net position have been determined on the same basis as they are reported by PERS and WVDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Unearned Revenue

Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the governmental funds reported $27,281 in unearned revenue.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Special Revenue Fund. All annual appropriations lapse at fiscal year end.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Jefferson County, West Virginia prepares its budget on the modified accrual basis of accounting.

Prior to March 2nd of each year, the various elected officials submit to the County Commission proposed requests for their respective offices for the fiscal year commencing July 1. Upon review and approval of these requests, the County Commission prepares proposed budgets on forms prescribed by the State Auditor and submits them to the State Auditor by March 28 for approval. The County Commission then reconvenes on the third (3rd) Tuesday in April to hear objections from the public and to formally lay the levy.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations between departments and revenue related revisions to the budget require approval from the governing council and then submission to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statements reflect only such approved amounts. The governing body made the following material supplementary budgetary appropriations throughout the year.

Description		General Fund Increase/ (Decrease)
General government expenditure	$	1,196,480
Public safety expenditure		254,227
Culture and recreation expenditure		85,500

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial Credit Risk
For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The government's policy for custodial credit risk is to comply with statutory provisions for depository bond coverage, which provides that no public money should be deposited until the banking institution designated executes a bond with good and sufficient sureties which may not be less than the maximum sum that is deposited in the depository at any one time.

At year end, the government's bank balances were $ 11,153,721. The bank balance was collateralized by federal depository insurance or with securities held by the pledging financial institution's trust department or agent in the government's name.

A reconciliation of cash and investments as shown on the Statement of Net Position of the primary government and Statement of Net Position of the Fiduciary Funds is as follows:

Cash and cash equivalents - Governmental Funds	$	9,965,298
Cash and cash equivalents-restricted - Impact Fees		2,522,342
Cash and cash equivalents-restricted - Agency Fund		1,113,736
Total cash and cash equivalents	$	13,601,376

III. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables

Receivables at year end for the government's individual major and aggregate nonmajor funds, and aggregate fiduciary funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Coal Severance Tax	Federal Grant	State Grant	Total
Receivables:					
Taxes	$ 889,427	$ - -	$ - -	$ - -	$ 889,427
Accounts	349,677	- -	- -	- -	349,677
Intergovernmental	283,717	- -	18,390	5,057	307,164
Gross Receivables	1,522,821	- -	18,390	5,057	1,546,268
Less: Allowance for Uncollectible	(203,755)	- -	- -	- -	(203,755)
Net Total Receivables	$ 1,319,066	$ - -	$ 18,390	$ 5,057	$ 1,342,513

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

General Fund	Unearned	Unavailable
Delinquent property taxes receivable	$ - -	$ 530,903
Deferred Revenue Ambulance Fees Paid in Advance	27,281	- -
Total unavailable/unearned revenue for governmental funds	$ 27,281	$ 530,903

C. Prepaid Assets

Occasional payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased. At June 30, 2016, prepaid assets in the General Fund totaled $94,574.

III. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 866,554	$ --	$ --	$ 866,554
Construction in progress	--	145,827	--	145,827
Total capital assets not being depreciated	866,554	145,827	--	1,012,381
Capital assets being depreciated:				
Buildings and improvements	19,024,780	--	--	19,024,780
Structures and improvements	2,152,891	300,145	--	2,453,036
Machinery and equipment	7,063,940	199,345	--	7,263,285
Vehicles	1,936,482	167,337	(239,073)	1,864,746
Less: Total accumulated depreciation	(12,344,453)	(1,117,596)	223,632	(13,238,417)
Total capital assets being depreciated, net	17,833,640	(450,769)	(15,441)	17,367,430
Governmental activities capital assets, net	$ 18,700,194	$ (304,942)	$ (15,441)	$ 18,379,811

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

Governmental activities:	
General government	$ 330,226
Public safety	685,043
Culture and recreation	102,327
Total depreciation expense-governmental activities	$ 1,117,596

Construction in Progress

The government has (2) active construction projects as of the fiscal year ended June 30, 2016. These projects are listed below:

Project	**Funding**	**Expenditures to-Date**
Elections - Electonic Pollbooks	Capital Outlay Fund	$ 86,025
911 - Communications - CAD	Capital Outlay Fund	59,802
Total construction in progress		$ 145,827

III. DETAILED NOTES ON ALL FUNDS (continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of the fiscal year ended June 30 is as follows:

Advances to/from other funds:

Payable Fund	Receivable Fund		Amount
Jury & Witness	General County	$	34,187
Capital Outlay	General County		1,889
General County	Capital Outlay		5,800
General County	Assessor Valuation Fund		6,675
General County	State Grant Fund		1,030
General County	General School Fund		22,100
General County	Magistrate Court Fund		15,881
Capital Outlay	State Grant Fund		200,343
Total due to/from other funds		$	287,905

These temporary advances represent funds that were expended prior to their receipt from other funds or other governments. These funds are expected to be received shortly after the beginning of July 2016. The temporary advance will then be reversed.

Interfund transfers:

	Transfers in:					
Transfers out:	General County	State Grants	General School	Magistrate Court	Capital Outlay	Total
General County	$ - -	$ - -	$ 22,100	$ 15,881	$ 5,800	$ 43,781
General School	219,218	- -	- -	- -	- -	219,218
Dog & Kennel	33,936	- -	- -	- -	- -	33,936
Assessor Valuation	436,534	- -	- -	- -	- -	436,534
Capital Outlay	- -	200,343	- -	- -	- -	200,343
Total transfers out	$ 689,688	$ 200,343	$ 22,100	$ 15,881	$ 5,800	$ 933,812

Transfers from General County to General School and Magistrate Court of $22,100 and $15,881 respectively represent operating transfers. The transfer of $5,800 from General County to the Capital Outlay fund represents proceeds from the sale of equipment to be used toward the purchase of replacement equipment in FY2017.

The transfers from General School to General County totaling $219,218 represent support for jail fees. The transfer of $33,936 from the Dog & Kennel fund to General County represents operating transfers. The Transfer of $436,534 from the Assessor Valuation fund to General County represents wages and benefits for partial staffing of the Jefferson County Assessor’s Office.

The transfer of $200,343 from Capital Outlay to the State Grants fund represents local match requirements.

III. DETAILED NOTES ON ALL FUNDS (continued)

F. Fund Balance Detail

At year-end, the detail of the government's fund balances is as follows:

	General Fund	Coal Severance Fund	County Capital Outlay	County Impact Fees	Non-major Funds	Total
Nonspendable:						
Inventory	$ 5,224	$ - -	$ - -	$ - -	$ - -	$ 5,224
Prepaid items	93,322	- -	- -	- -	1,252	94,574
Advances to other funds	36,076	- -	5,800	- -	246,029	287,905
Restricted:						
General government	- -	106,187	- -	- -	91,792	197,979
Public safety	- -	- -	- -	151,340	10,496	161,836
Culture and recreation	- -	- -	- -	151,340	- -	151,340
School	- -	- -	- -	2,219,662	- -	2,219,662
Committed:						
General government	- -	- -	- -	- -	70,457	70,457
Capital projects	- -	- -	3,914,096	- -	- -	3,914,096
Assigned:						
General government	2,672,000	- -	- -	- -	107,746	2,779,746
Public safety	1,909,000				34,187	1,943,187
Culture and recreation	218,000	- -	- -	- -	- -	218,000
Unassigned:	519,454	- -	- -	- -	- -	519,454
Total fund balances	$ 5,453,076	$ 106,187	$ 3,919,896	$ 2,522,342	$ 561,959	$ 12,563,460

G. Leases

Operating Leases

The government leases office facilities under an operating lease. Total costs for the leases were $115,667 for this fiscal year. The future minimum lease payment for future fiscal years is as follows:

Year Ending June 30,	Governmental Activities
2017	$ 38,556
Total minimum lease payments	$ 38,556
Less: amount representing interest	- -
Present value of minimum lease payments	$ 38,556

III. DETAILED NOTES ON ALL FUNDS (continued)

H. Long-term Debt

Changes in Long-term Liabilities

	Governmental Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net OPEB obligation	$ 25,790	$ 27,939	$ - -	$ 53,729	$ - -
Net pension liability	2,689,052	- -	(1,766,590)	922,462	- -
Compensated absences	656,813	- -	(12,806)	644,007	- -
Governmental activities Long-term liabilities	$ 3,371,655	$ 27,939	$ (1,779,396)	$ 1,620,198	$ - -

Note: For governmental activities, compensated absences are generally liquidated by the general county fund.

I. Restricted Assets

The balances of the restricted asset accounts for the primary government are as follows:

Impact fee account	$ 2,522,342
Agency funds	1,113,736
Total restricted assets	$ 3,636,078

J. Prior Period Adjustment

A prior period adjustment of $282,503 was made to the General County fund to record certain revenues earned in fiscal year 2015 in accordance with Generally Accepted Accounting Procedures (GAAP). Additionally, a prior period adjustment was made to the special revenue funds of ($7,535) to record certain expenditures that were payable in fiscal year 2015 in accordance with GAAP.

The following restatement was performed to beginning governmental fund balances:

	General	Other Nonmajor Governmental Funds
Fund balances, as previously stated	$ 3,891,395	$ 492,795
Add:		
Fiscal year 2015 income	282,503	- -
Deduct:		
Fiscal year 2015 expenditures	- -	(7,535)
Fund balances, restated	$ 4,173,898	$ 485,260

III. DETAILED NOTES ON ALL FUNDS (continued)

Following is the restatement made to the beginning total net position for governmental activities in the government-wide financial statements:

		Governmental Activities
Net position, (government-wide balance), as previously stated	$	25,182,150
Add:		
Fiscal year 2015 income		282,503
Deduct:		
Fiscal year 2015 expenditures		(7,535)
Net pension liability		(927,145)
Net position, (government-wide balance), restated	$	24,529,973

IV. OTHER INFORMATION

A. Risk Management

The government 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 government carries insurance with West Virginia Corp for umbrella (general liability) insurance for these various risks.

Workers' Compensation Fund (WCF): Private insurance companies could begin to offer workers compensation coverage to government employers beginning July 1, 2010. Workers compensation coverage is provided for this entity by WV Corp.

B. Related Party Transaction

There are none to report

C. Subsequent Events

In fiscal year 2016, the Jefferson County Commission entered into a contract to purchase replacement election system equipment and software for $798,000. Payments of $86,025 made toward this equipment purchase are represented as construction in process at the end of fiscal year 2016. The equipment is funded by the Capital Outlay fund and will be delivered by the end of fiscal year 2017. After delivery of equipment, repayment terms will begin and consist of four (4) annual payments of $178,000 in fiscal years 2017, 2018, 2019 and 2020.

In August 2016, the Jefferson County Commission entered into a commercial purchase agreement to purchase a building for $900,000; and, the building purchase is to be funded by the Capital Outlay fund. Settlement on this building purchase occurred on August 31, 2016.

IV. OTHER INFORMATION (continued)

D. Contingent Liabilities

Amounts received or receivable from grantor 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 government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material effect on the financial condition of the government.

It is the opinion of the government's counsel that there are no pending lawsuits or unasserted claims against Jefferson County, West Virginia.

E. Deferred Compensation Plan

The government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held for the exclusive benefit of the participants and their beneficiaries.

F. Other Post Employment Healthcare Plan (non-participating entities only)

Effective July 1, 2014, Jefferson County adopted the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. In addition to the relevant disclosures within this note related to the implementation of GASB 45, the financial statement reflects long-term liabilities and related expenses in the governmental activities of $ 25,790 resulting from the adoption.

In addition to the pension benefits described in Note VI, the Jefferson County Commission provides other post employment benefits (OPEB) to certain employees who qualify as a retiree, were hired prior to July 1, 1998, and meet specific service requirements through a multi-employer defined benefit plan. For fiscal year 2016 and 2015, total premiums paid for retiree medical benefits were $84,506 and $86,655 respectively. Employees and retirees eligible to participate in the OPEB plan consisted of the following at January 2015, the date used for data provided in the most recent actuarial valuation dated September 8, 2015:

Actives Fully Eligible to Retire	9
Actives Not Yet Fully Eligible to Retire	12
Retirees	23
Total Participants	44

IV. OTHER INFORMATION (continued)

Plan Description. The medical insurance is a contributory plan, and eligible retirees may insure themselves and eligible dependents. Medical insurance coverage is provided to retirees based on the employee's hire date, age, and years of full time continuous service.

The County withdrew from the Public Employees Insurance Agency (PEIA) effective July 1, 1988. Current employees hired prior to July 1, 1998 must have ten (10) years of service and must be enrolled in the insurance coverage provided by the PEIA for five (5) years to receive subsidized coverage from the County. It is optional for the County to subsidize post-retirement healthcare for current employees hired prior to July 1, 1998 who do not have five (5) years of PEIA insurance coverage. The County has elected to provide subsidized coverage to these individuals.

The County's portion of the premium is calculated based on the retiree's years of service at the time of retirement, Medicare or non-Medicare eligibility, and dependent coverage. The cost share premium is established by PEIA.

Jefferson County, West Virginia contributes to the West Virginia Retiree Health Benefits Trust Fund (RHBT), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employees Insurance Agency (PEIA). RHBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the West Virginia Retiree Health Benefits Trust, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia, 25305-0710 or by accessing the RHBT website at www.peia.wv.gov and selecting Forms and Downloads, Financial Reports.

Funding Policy. The County is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The ARC consisted of the normal cost of $32,137, and the amortization of unfunded accrued liability of $80,308. For fiscal years 2016 and 2015, the county contributed $84,506 and $86,655 respectively for current health care insurance premiums. The County has not established an OPEB trust to pre-fund future benefits.

During the 1992 Regular Session of the West Virginia Legislature, a portion of the Public Employees Insurance Agency (PEIA) governing statute was amended at section 5-16-22 to require all Non-State agencies to contribute toward the cost of their retired and or surviving dependents of retirees who are eligible to participate in the PEIA benefits program whether the agency itself participates as a group with the PEIA or not.

Annual OPEB Cost & Net OPEB Obligation. The County had an actuarial valuation performed as of July 1, 2014 to determine the funded status of the plan as of that date as well as the County's ARC for the fiscal year ended June 30, 2015. This is the Jefferson County's first year reporting OPEB.

IV. OTHER INFORMATION (continued)

The annual OPEB costs and net OPEB obligation for the current year were as follows:

Annual Required Contribution	$	112,445
Interest on Net OPEB Obligation		-
Adjustment to Annual Required Contribution		-
Annual OPEB Cost		112,445
Employer Contributions Made		(84,506)
Increase in Net OPEB Obligation		27,939
Net OPEB Obligation, Beginning of Year		25,790
Net OPEB Obligation, End of Year	$	53,729

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ending June 30, 2016 and 2015 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/16	$ 112,445	$ 84,506	75%	$ 53,729
6/30/15	$ 112,445	$ 86,655	77%	$ 25,790

As of the date of this report, the most recent valuation was performed with a valuation date of July 1, 2014 and covers the valuation for the plan years beginning July 1, 2014, July 1, 2015 and July 1, 2016. The funded status of the plan as of July 1, 2014 is as follows:

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets (a.)	Actuarial Accrued Liability (AAL) (b.)	Total Unfunded AAL (UAAL) (b.-a.)	Funded Ratio (a./b.)	Annual Covered Payroll (c.)	UAAL as a % of Covered Payroll [(b.-a.)/c.]
July 1, 2014	$ -	$ 1,477,030	$ 1,477,030	0%	Not Available	Not Available

Actuarial valuations for Jefferson County of its Postretirement Health Plan using the Alternative Measurement Method as described in Government Accounting Standard No. 45 ("GASB 45"). The primary purpose of the valuation is to determine the obligations and cost for Fiscal Year 2015. Determinations for purposes other than meeting the Commission's financial accounting requirements may be significantly different from the results herein. The results are estimates based on assumptions about future events. Assumptions may be made about participant data or other factors. All approximations and assumptions are noted. Reasonable efforts were made in the valuation to ensure that significant items in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately. Actual future experience will differ from the assumptions used. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect such actual experience.

Actuarial methods and assumptions. Projections 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 plan members to that point. The actuarial methods and assumptions used

IV. OTHER INFORMATION (continued)

include techniques that are designed to reduce short-term perspective of the calculations, and are as follows:

Actuarial Cost Method - Projected Unit Credit (Alternative Measurement Method)

Asset Valuation Method - N/A

Interest Assumptions - 3.50% discount rate and 3.50% expected return on employer's assets

Mortality - RP-2000 Combined Mortality Table

Turnover - Age-based turnover rates developed based on probability of remaining employed until assumed retirement age shown in paragraph 35b, Table 1 of GASB 45

Retirement Age - Average retirement age 62

Trend Rates - Premiums & retiree contributions are assumed to increase annually at 4.0% for all years

Election at Retirement - 100% of active employees are assumed to elect PEIA coverage at retirement

Marital Status - 50% of active employees electing PEIA coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

V. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Plan Descriptions, Contribution Information, and Funding Policies

Jefferson County, West Virginia participates in two state-wide, cost-sharing, and multiple-employer defined benefit plans on behalf of county employees. Both systems are administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and state appropriations, as necessary. These plans are as follows:

<u>Cost Sharing Multiple Employer Pension Plans</u>
West Virginia Public Employees Retirement System (PERS)
West Virginia Deputy Sheriff Retirement System (WVDRS)

<u>West Virginia Public Employees Retirement System</u>
All eligible County employees except those covered by other pension plans participate in the West Virginia Public Employees' Retirement System (PERS), a multiple-employer public retirement system covering employees of the State of West Virginia and other participating political subdivisions.

The following is a summary of eligibility factors, and benefit provisions:

Period required to vest	Five Years

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Benefits and eligibility for distribution	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 10) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

Funding Policy. The PERS funding policy has been established by action of the State Legislature. Entity contribution rates are established by PERS. State statute requires that plan participants contribute 4.5% of compensation. The governmental entity contribution rates of 13.5%, 14.0%, and 14.5% of covered payroll for the years ending June 30, 2016, 2015, and 2014 respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the PERS Pension Plan

At June 30, 2016, the County reported a liability of $542,920 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the County's proportion was 0.556%, which was an increase of 0.015% from its proportion measured as of June 30, 2013. There have been no changes in benefit terms on the measurement of net pension liability since the prior measurement date.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 2,170,610
Changes in proportion and differences between County contributions and proportionate share of contributions	102,549	-
County contributions subsequent to the measurement date	1,403,183	-
Total	$ 1,505,732	$ 2,170,610

$1,403,183 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average remaining service life of

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

4.27 years and will be recognized in pension expense as follows:

Year ended June 30:		
2016	$	484,323
2017		484,323
2018		484,323
2019		484,323
2020		130,767
Total	$	2,068,061

Actuarial Assumptions. The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method - Entry Age Normal Cost Method with individually computed accrued liabilities. The Normal Cost is computed in aggregate. Entry is based on hire date.

Amortization Method - Level-dollar amount, fixed period

Amortization Period - 21 years (through FY 2035

Projected Salary Increases - Range from 4.25% to 6.0% per year

Date of most recent experience study - 2004-2009

Mortality Tables - Healthy Males: 1983 GAM male; Healthy Females: 1971 GAM female, set back 1 year; Disabled Males: 1971 GAM male, set forward 8 years; and Disabled Females: Revenue Ruling 96-7 disabled female table.

Withdrawals - Assumed to result in a refund of contributions if non-vested or a deferred annuity of vested. State 26%, non-state 31.2%

Asset Valuation Method - Fair value

Retirement Rates –

Age	Rate	Age	Rate	Age	Rate
55	0.25	61	0.15	66	0.20
56	0.15	62	0.30	67	0.20
57	0.15	63	0.18	68	0.20
58	0.15	64	0.18	69	0.20
59	0.15	65	0.25	70+	1.00
60	0.15				

Disablement Rates -

Age	Male	Female
30	0.00030	0.00060
40	0.00113	0.00113
50	0.00488	0.00225
60	0.00750	0.00750

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Family Composition - It is assumed that 85% of males and 80% of females are married, with husbands 3 years older than wives. Remarriage rates are not used.

Inflation Rate - 2.20%

Interest Rate & Expenses - The valuation interest assumption is 7.50%, with no loading for plan expenses

The long-term expected rate of return on pension plan benefits is based upon a determination of the appropriate risk tolerance, the Consolidated Public Retirement Board (Board) adopted the following broad asset allocation guidelines for the assets managed for PERS. Policy and Strategic allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (Included in Fixed Income above)	$19,000,000*	

* IMB Staff has authority to change the cash allocation plus or minus 10%, as necessary in consultation with the appropriate representative(s) from PERS.

The West Virginia Investment Management Board (IMB) calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	17.9%	7.5%
Three-year	10.5%	7.5%
Five-year	13.6%	7.5%
Ten-year	7.8%	7.5%

Discount Rate. The discount rate used to measure the total pension liability was 7.5%. The projections of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position of each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1.0% Decrease (6.5%)	Discount Rate (7.5%)	1.0% Increase (8.5%)
County's proportionate share of the net pension liability	$ 5,797,923	$ 2,051,953	$ (1,140,085)

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Trend Information. The required contribution and the percentage of that amount contributed for the past three years is as follows:

Fiscal Year	Annual Pension Cost	Percentage Contributed
2016	$ 1,403,183	100%
2015	$ 1,024,710	100%
2014	$ 1,079,680	100%
2013	$ 1,014,046	100%

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, 4101 MacCorkle Avenue, SE, Charleston, WV 25304 or by calling (304) 558-3570.

West Virginia Deputy Sheriff Retirement System (WVDRS)

The West Virginia Deputy Sheriff Retirement System (WVDRS) is a cost sharing multiple-employer public employee retirement system created by the State of West Virginia. The Deputy Sheriffs of West Virginia county governments, employed prior to July 1, 1998 could elect to join this plan or remain in PERS. Deputy Sheriffs hired after this date are required to join WVDRS.

The following is a summary of eligibility factors, and benefit provisions:

Period required to vest	Five years
Benefits and eligibility for distribution	A member who has attained age 60 and has earned 5 or more years of contributing service or age 50 and if the sum of his/her age plus years of credited service is equal to or greater than 70. The final average salary (three highest consecutive years in the last ten years) times the years of service times 2.25% equals the annual retirement benefit.
Deferred retirement option	No deferred retirement option is available.
Provisions for cost of living adjustments or death benefits	This plan has no provisions for cost of living adjustments. There are provisions for death benefits.

Funding Policy. The WVDRS funding policy has been established by action of the State Legislature. Certain fees for reports generated by sheriff's offices are paid to this plan in accordance with West Virginia State Code Section 7-14E-2. WVDRS members are required to contribute 8.5% of their annual covered salary. The contribution requirements of WVDRS members are established and may be amended only by the State of West Virginia Legislature. The County's contribution to WVDRS for the current fiscal year ending was $140,331 for employees' share and $206,368 for employer's share. The governmental entity contribution rate was 12.0% of covered payroll for the year ending June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the WVDRS Pension Plan

At June 30, 2016, the County reported a liability of $379,542 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the County's proportion was 3.736%, which was an increase of 0.177% from its proportion measured as of June 30, 2013. There have been no changes in benefit terms on the measurement of net pension liability since the prior measurement date.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 420,328
Changes in proportion and differences between County contributions and proportionate share of contributions	51,254	-
County contributions subsequent to the measurement date	207,263	-
Total	$ 258,517	$ 420,328

$258,517 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average remaining service life of 7.21 years and will be recognized in pension expense as follows:

Year ended June 30:	
2016	$ 51,189
2017	51,189
2018	51,189
2019	51,189
2020	51,189
2021	51,189
2022	51,189
2023	10,751
Total	$ 369,074

Actuarial Assumptions. The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method - Entry Age Cost Method with Aggregate Normal Cost.

Amortization Method - Level-percentage of future expected WVDRS Payroll determined on an open group projected payroll basis.

Remaining Amortization Period - Fully amortized by the end of fiscal year 2029

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Projected Salary Increases - Based on years of service in the following table:

Years of Service	Salary Increase %
Up to 2 Years	5.0%
Years 3 - 5	4.5%
Years 6 - 10	4.0%
More than 10	3.5%

Date of most recent experience study - 2007-2011

Mortality Tables -

Healthy active members: RP2000 Non-Annuitant Morality Table with mortality improvements projected to 2020 by Scale BB with separate rates for males and females.

Healthy retired members and their beneficiaries: RP2000 Healthy Annuitant Mortality Table with mortality improvements projected to 2025 by Scale BB with separate rates for males and females.

Disabled member receiving retirement benefits: RP2000 Healthy Annuitant Morality Table projected to 2025 by Scale BB and age set forward 1 year with separate rates for males and females.

Withdrawals - Withdrawal rates predict termination of employment prior to unreduced retirement eligibility. The rates by age are:

Age	Rate	Age	Rate	Age	Rate
20	0.1232	32	0.0810	44	0.0387
21	0.1197	33	0.0774	45	0.0352
22	0.1162	34	0.0739	46	0.0317
23	0.1126	35	0.0704	47	0.0282
24	0.1091	36	0.0669	48	0.0246
25	0.1056	37	0.0634	49	0.0211
26	0.1021	38	0.0598	50	0.0176
27	0.0986	39	0.0563	51	0.0141
28	0.0950	40	0.0528	52	0.0106
29	0.0915	41	0.0493	53	0.0070
30	0.0880	42	0.0458	54	0.0035
31	0.0845	43	0.0422	55	0.0000

Salary Increases-

5.0% for first 2 years of service
4.5% for next 3 years of service
4.0% for next 5 years of service, and
3.5% thereafter

Asset Valuation Method - Fair value

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Retirement Rates - Members who become eligible for unreduced retirement benefits prior to age 65 are assumed to have a 20% probability of retiring in the year they first become eligible. For years following the year of first eligibility and prior to attaining age 65, an additional 20% are assumed to retire each year. At 65, 100% of remaining members are assumed to retire. Members who become eligible for unreduced retirement benefits on or after the attainment of age 65 are assumed to retire in the year they first become eligible.

Other Service Credits- At Normal or Early retirement, a member is assumed to be granted 1.25 additional years of service for benefits due to allowable military service, plus 1.50 additional years for unused annual leave and / or unused sick leave for a total of 2.75 additional years.

Accrual of Future Service - All active members are assumed to complete sufficient hours to accrue one year of full time service in each future year of employment.

Plan Contributions - For interest calculation purposes, all amounts are treated as being deposited on an average of half way through the plan year.

Fee Contributions Under Section 7-14E-2 - For interest calculation purposes, contributed fees are treated as being deposited on an average of half way through the plan year and are estimated based on historical amounts contributed to the Trust Fund.

Disability Rates –

Age	Rate	Age	Rate	Age	Rate
20-25	0.0005	32	0.0028	39-45	0.0060
26	0.0008	33	0.0032	46	0.0056
27	0.0011	34	0.0036	47	0.0052
28	0.0014	35	0.0040	48	0.0048
29	0.0017	36	0.0048	49	0.0044
30	0.0020	37	0.0052	50+	0.0040
31	0.0024	38	0.0056		

It is assumed that members eligible for unreduced retirement will elect retirement prior to becoming disabled. It is also assumed that retired members will not become disabled following retirement due to duty related causes incurred prior to retirement. Disability retirements are assumed to breakdown in the following types:

Duty related full disability	50%
Duty related partial disability	25%
Non-duty related full disability	20%
Non-duty related Partial disability	5%

Marriage Rate and Composition - It is assumed that 90% of all members are married, with males 3 years older than their female spouse.

Inflation Rate - 2.2%

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Interest Rate and Discount Rate - Interest Rate is a net return rate of 7.5% annually, net of investment and administrative expenses. The rate is applied to the interest return on Trust Fund assets as well as the discount rate on future expected benefit payments.

The long-term expected rate of return on pension plan benefits is based upon a determination of the appropriate risk tolerance, the Consolidated Public Retirement Board (Board) adopted the following broad asset allocation guidelines for the assets managed for WVDRS. Policy and Strategic allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (Included in Fixed Income above)	$250,000*	

* IMB Staff has authority to change the cash allocation plus or minus 10%, as necessary in consultation with the appropriate representative(s) from WVDRS

The West Virginia Investment Management Board (IMB) calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	17.9%	7.5%
Three-year	10.4%	7.5%
Five-year	13.5%	7.5%
Ten-year	7.8%	7.5%

Discount Rate. The discount rate used to measure the total pension liability was 7.5%. The projections of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position of each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1.0% Decrease (6.5%)	Discount Rate (7.5%)	1.0% Increase (8.5%)
County's proportionate share of the net pension liability	$ 1,574,361	$ 637,099	$ (136,826)

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Trend Information. The required contribution and the percentage of that amount contributed for the past three years is as follows:

Fiscal Year	Annual Pension Cost	Percentage Contributed
2016	$ 207,263	100%
2015	$ 206,368	100%
2014	$ 225,010	100%
2013	$ 202,415	100%

WVDRS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, 4101 MacCorkle Avenue, SE, Charleston, WV 25304 or by calling (304) 558-3570.

JEFFERSON COUNTY, WEST VIRGINIA
BUDGETARY COMPARISON SCHEDULE -
ASSESSOR'S VALUATION FUND (Unaudited)
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Modified Accrual Basis	Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUES:					
Miscellaneous	$ 547,949	$ 547,949	$ 576,855	$ 576,855	$ 28,906
Total revenues	547,949	547,949	576,855	576,855	28,906
EXPENDITURES:					
Current:					
General government	55,000	142,000	64,990	64,990	77,010
Capital outlay	- -	68,229	- -	- -	68,229
Total expenditures	55,000	210,229	64,990	64,990	145,239
Excess (deficiency) of revenues over expenditures	492,949	337,720	511,865	511,865	174,145
OTHER FINANCING SOURCES (USES)					
Transfers (out)	(578,875)	(578,875)	(436,534)	(436,534)	142,341
Total other financing sources (uses)	(578,875)	(578,875)	(436,534)	(436,534)	142,341
Net change in fund balance	(85,926)	(241,155)	75,331	75,331	316,486
Fund balance at beginning of year	85,926	241,155	241,155	241,155	- -
Fund balance at end of year	$ - -	$ - -	$ 316,486	$ 316,486	$ 316,486