

Comprehensive Annual Financial Report



Jefferson County

West Virginia

Fiscal Year 2017

July 1, 2016 – June 30, 2017

Jefferson County Commission

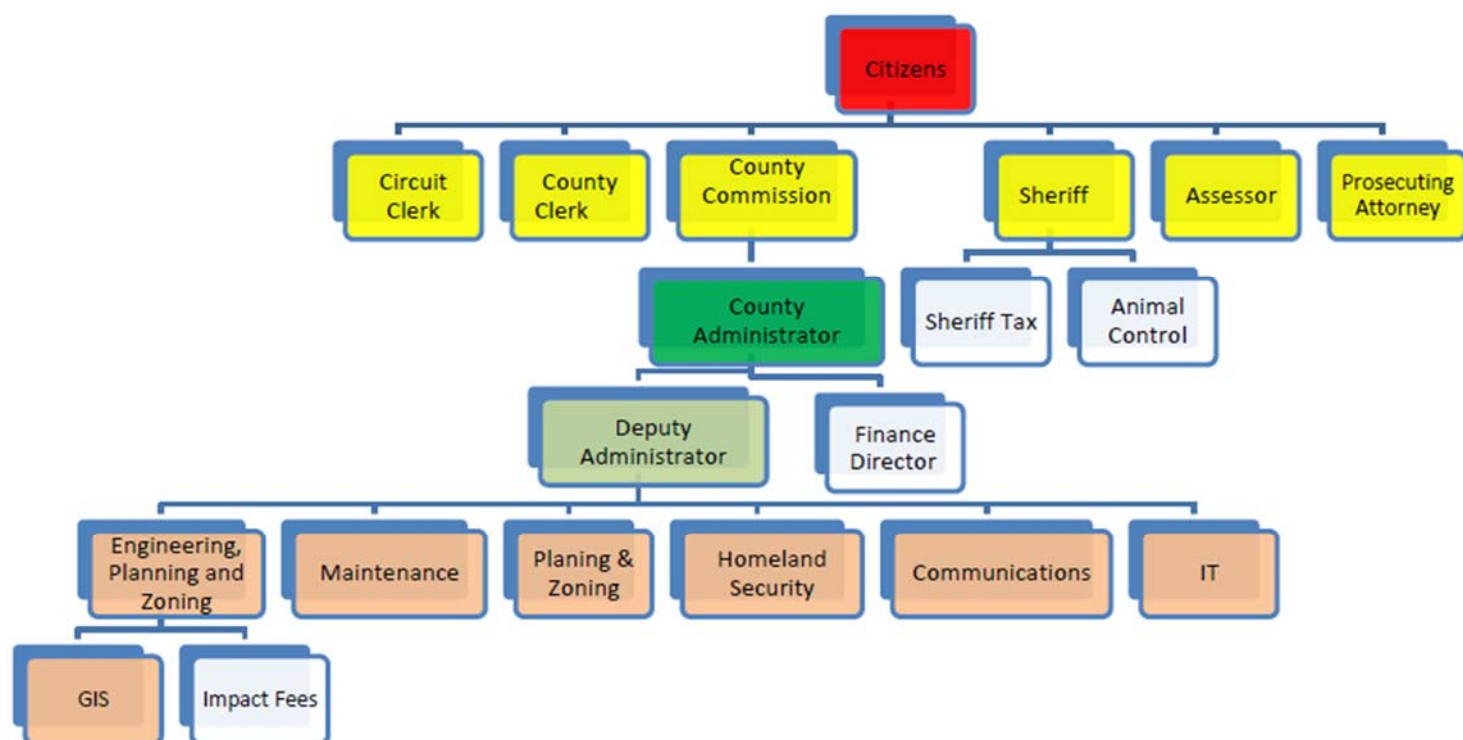
124 E Washington Street, Charles Town, WV 25414

www.jeffersoncountywv.org

JEFFERSON COUNTY, WEST VIRGINIA
COUNTY OFFICIALS
For the Fiscal Year Ended June 30, 2017

OFFICE	NAME	TERM
<u>Elective</u>		
County Commission:	Jane M. Tabb	01-01-13 / 12-31-18
	Patsy Noland	01-01-15 / 12-31-20
	Peter Onoszko	07-21-16 / 12-31-18
	C. Dale Manuel	01-01-11 / 12-31-16
	Walt Pellish	01-01-11 / 12-31-16
	Caleb Wayne Hudson	01-01-17 / 12-31-22
	Josh Compton	01-01-17 / 12-31-22
Clerk of the County Commission:	Jennifer S. Maghan	01-01-11 / 12-31-16
	Jacki Shadle	01-01-17 / 12-31-22
Clerk of the Circuit Court:	Laura Storm	01-01-11 / 12-31-22
Sheriff:	Peter Dougherty	01-01-15 / 12-31-20
Prosecuting Attorney:	Ralph Lorenzetti	01-01-13 / 12-31-16
	Matthew Harvey	01-01-17 / 12-31-20
Assessor:	Angela Banks	01-01-13 / 12-31-20

JEFFERSON COUNTY ORGANIZATION CHART



JEFFERSON COUNTY, WEST VIRGINIA
SCHEDULE OF FUNDS INCLUDED IN REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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
Financial Stabilization
Farmland Protection
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

JEFFERSON COUNTY, WEST VIRGINIA
SCHEDULE OF FUNDS INCLUDED IN REPORT (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

FIDUCIARY FUND TYPE

Pension 457(b) Trust Fund
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 2017
July 1, 2016 - June 30, 2017

JEFFERSON COUNTY, WEST VIRGINIA
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UNAUDITED

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Jefferson County Commission Management's Discussion and Analysis

June 30, 2017
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, 2017. 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 \$28.2 million (*net position*). Of the total net position, \$5.3 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$19.2 million is invested in capital assets net of related debt of \$540,323, and \$3.8 million is restricted for specific purposes at the end of FY2017 (*restricted net position*).
- At the end of the fiscal year, the County had no bonded long-term debt obligations. Total new debt added during the fiscal year was \$720,430 for the purchase of capital assets. The County's adherence to its amortization schedules for existing debt reduced its debt by \$180,107 in payments during the fiscal year. Additional information on the County's long-term debt activity can be found in Note III. H. of the notes to the financial statements.
- The General Fund, on a current financial resource basis, reported a deficit of revenues over expenditures and other financial sources and uses of (\$1.0) 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 2017 was the third consecutive year that the County approved a 0% property tax revenue increase. In FY 2017, the Class II Property levy rate was \$27.88 cents per \$100 of assessed value compared to \$28.38 cents per \$100 of assessed value in FY2016. Because the assessable base valuation increased by 5.8% or \$182 million (from \$3.2 billion in FY2016 to \$3.3 billion in FY2017), tax revenue increased by \$0.5 million from \$12.6 million in FY2016 to \$13.1 million in FY2017.
- At the end of the current fiscal year, the ending fund balance for the General Fund was \$4.6 million or 19.8% of total General Fund expenditures (excluding transfers to other funds). This represents 2.4 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.



Jefferson County Commission Management's Discussion and Analysis

June 30, 2017
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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 15 and 16 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.



Jefferson County Commission Management's Discussion and Analysis

June 30, 2017

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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-five (25) 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; Financial Stabilization; 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 17 through 21 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 pages 23 and 24 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 25 to 53.

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 54 of this report.



Jefferson County Commission Management's Discussion and Analysis

June 30, 2017

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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 \$28.2 and \$26.7 million at the close of the current and previous fiscal years.

Jefferson County's Net Position

	Governmental Activities	
	2017	2016
Current and other assets	\$ 11,234,429	\$ 11,577,149
Restricted assets	3,753,166	2,522,342
Capital assets	19,704,861	18,369,300
Total assets	<u>34,692,456</u>	<u>32,468,791</u>
Total deferred outflow of resources	2,552,371	1,840,216
Current long-term liabilities	1,279,372	836,654
Noncurrent long-term liabilities	7,355,342	4,422,139
Total liabilities	<u>8,634,714</u>	<u>5,258,793</u>
Total deferred inflow of resources	365,584	2,393,722
Net position:		
Net investment in capital assets,		
net of related debt	19,134,538	18,369,300
Restricted	3,753,166	2,522,342
Unrestricted	5,356,825	5,764,850
Total net position	<u>\$ 28,244,529</u>	<u>\$ 26,656,492</u>

The County's governmental activities net position increased by \$1.6 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 \$19.1 million or 63.3%, less any unmatured debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Restricted net position represents 13.3% or \$3.7 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 \$5.4 million which represents 19.0% of total net positions. Unrestricted net position is used to meet the County's ongoing obligations to citizens, creditors, and employee pension plans.



Jefferson County Commission Management's Discussion and Analysis

June 30, 2017

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The County fully implemented GASB Statement 68, and the result is a total of \$6.2 million in net pension liability to fully fund both of the County's pension plans. This \$6.2 million liability is not a current obligation or expectation of payment but an actuarial calculation of the total to be fully funded in the future. This liability decreases the amount reflected in the unrestricted net position of the County.

Governmental activities: For the current fiscal year, total revenues for the governmental activities were \$26.9 million, while total expenses were \$25.4 million.

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

Jefferson County Changes in Net Position June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
Revenues		
Program Revenues:		
Charges for services	\$ 4,309,472	\$ 4,179,681
Operating grants and contributions	308,608	1,056,902
Capital grants and contributions	63,227	3,181
General Revenues:		
Property taxes	13,036,107	12,588,991
Income and other taxes	1,735,981	1,609,607
Miscellaneous	7,492,579	6,917,739
Total Revenues	26,945,974	26,356,101
Expenses		
Program Expenses:		
General government	12,167,767	12,735,601
Public safety	11,341,398	10,994,232
Health and sanitation	91,708	10,138
Culture and recreation	1,621,831	1,241,716
Social services	20,000	14,755
Capital projects	115,233	160,285
Total Expenses	25,357,937	25,156,727
Change in net position	1,588,037	1,199,374
Net position-Beginning (restated)	26,656,492	25,457,118
Net position-Ending	\$ 28,244,529	\$ 26,656,492

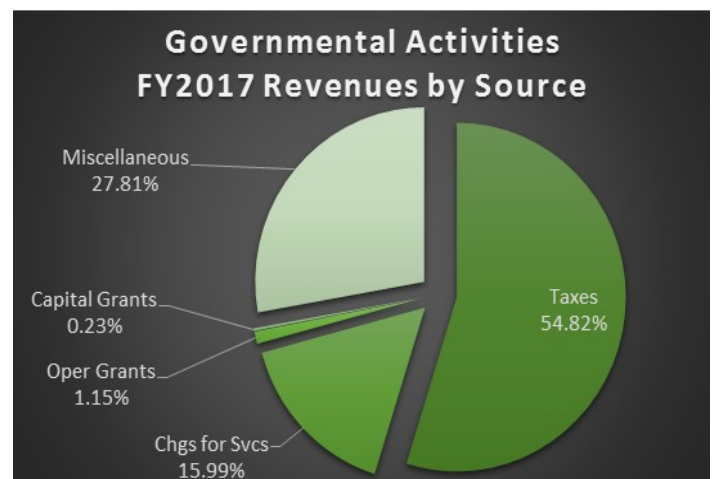
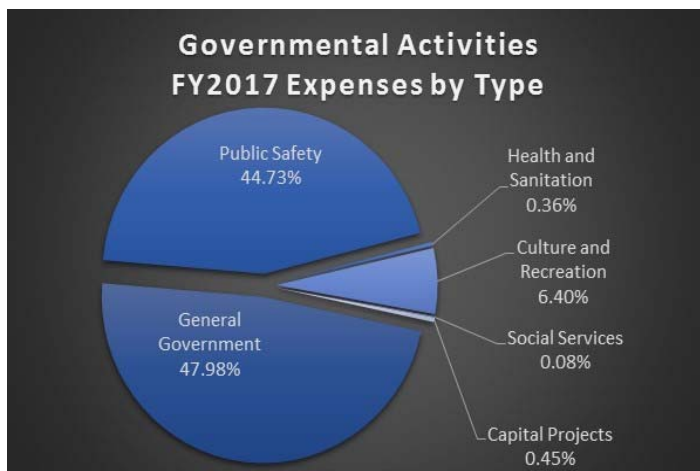


Jefferson County Commission Management's Discussion and Analysis

June 30, 2017
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The increase in net position for governmental activities was \$1.6 million and can be largely attributed to the following:

- A net change in fund balances for all governmental funds totaled \$0.1 million. That increase is made up primarily of revenue increases of \$0.3 million due to the excess of actual revenues over operating expenses in the County's General Fund. The revenue increase is primarily due to an increase in property tax that resulted from a combination of slightly increasing assessments and modest new construction and maintaining overall expenses flat compared to prior year totals.
- Offset by an increase of \$1.3 million in capital assets, net of depreciation expense, purchased during the fiscal year.
- General government expenses increased by \$0.2 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.





Jefferson County Commission Management's Discussion and Analysis

June 30, 2017
UNAUDITED

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 \$12.8 million, an increase of \$0.3 million from the prior year. Approximately 40.7% of the total ending fund balance (\$12.8 million) constitutes assigned and unassigned fund balance (\$5.2 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 (\$0.2 million and \$4.0 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 (\$3.4 million)
- 3) *Assigned and Unassigned* fund balance represents amounts reserved for tentative management plans that are subject to change or are unreserved (\$4.6 million and \$0.6 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 \$4.5 million, while total fund balance equals \$4.6 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 19.2% of total General Fund expenditures or just over two (2) months of fiscal expenditures.

The fund balance of the General Fund decreased by (\$1.0) million during the current fiscal year. This decrease is primarily due to transfers out to the capital outlay fund and the financial stabilization fund. Below are some key elements for FY2017:



Jefferson County Commission Management's Discussion and Analysis

June 30, 2017

UNAUDITED

Revenue budgets were under approved or better than expected-

- Property taxes realized in FY2017 were \$0.5 million more than FY2016. 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 FY2017 were \$0.2 million more than FY2016. 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 FY2017 were \$0.2 million higher than in FY2016. The increase is a result of increased billing by the Sheriff's office for security services provided to private organizations, and increased license and permit fee, franchise fee and 911 fee receipts.

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

- Wages and Benefits were \$0.2 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.
- Fund balance transfers of \$1.5 million to the financial stabilization fund were delayed to ensure compliance with the County's fund balance policy minimum requirements.

The Capital Outlay fund has a total fund balance of \$3.1 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:

- *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 (\$3.1 million). Included in that \$3.1 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 2017 is an increase of \$0.7 million in use of fund balance. The net change reflects an additional transfer of the general county fund balance to the capital outlay fund for capital improvement projects. The additional funding was covered by revenues exceeding expenditures and budgeted projections in the current and prior years.



Jefferson County Commission Management's Discussion and Analysis

June 30, 2017

UNAUDITED

Capital Asset and Debt Administration

Capital assets. Jefferson County's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$19.7 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 increase in County's investment in capital assets for the current fiscal year was \$1.3 million. Depreciation expense totaled (\$1.2) million. Land, building and improvements included \$1.0 million for the purchase of a building to house the prosecuting attorney's offices and renovations to other county offices. Other increases included \$0.2 million in vehicle purchases, and \$0.8 million for a replacement election system and other equipment.

Jefferson County's Capital Assets Net of Depreciation

	Governmental Activities	
	2017	2016
Land	\$ 966,032	\$ 866,554
Construction in progress	455,449	145,827
Buildings	13,794,674	13,496,477
Structures and improvements	1,961,995	1,936,004
Vehicles	379,082	306,305
Machinery and equipment	2,147,629	1,618,133
Total capital assets	\$ 19,704,861	\$ 18,369,300

Additional information on the governmental activities fixed assets can be found in Note III. D. in the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the County had \$540,323 in long-term debt outstanding that will be paid for from the capital outlay fund. The County had no long-term debt outstanding in the previous fiscal year. The County has no bonded long-term debt outstanding. During the fiscal year, the County issued \$720,430 in notes payable to finance general capital improvement projects. Payments made on that debt totaled (\$180,107). Other 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. Additional information on the County's long-term debt can be found in Note III. H. of the notes to the financial statements.

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 FY's 15, FY16 and FY17 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



Jefferson County Commission Management's Discussion and Analysis

June 30, 2017

UNAUDITED

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 FY2017, the County's assessable base was \$3.4 billion.

The FY18 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 FY2017, gambling revenue decreased from \$5.9 million to \$3.9 million (31.0%) which is approximately \$1.9 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 FY2018 and FY2019 will include additional decreases in gambling revenue in response to the anticipated opening of a new casino in National Harbor in FY2017.

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, 2017

	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	\$ 9,438,247	\$ 1,160,234	\$ 751,949	\$ 9,532	\$ 3,113,573	\$ 1,079,612	\$ 745,130
Receivables, net of allowance for uncollectibles:							
Taxes	676,180	--	--	--	168,552	--	--
Accounts	362,745	33,175	--	--	--	65,651	2,174
Intergovernmental Receivables	627,440	--	--	--	--	--	--
Inventory, at cost	2,946	--	--	--	--	--	--
Prepaid expenses	126,871	5,174	420	--	3,000	1,395	--
Total current assets	<u>11,234,429</u>	<u>1,198,583</u>	<u>752,369</u>	<u>9,532</u>	<u>3,285,125</u>	<u>1,146,658</u>	<u>747,304</u>
Restricted assets:							
Restricted cash	3,753,166	--	38,737	--	--	--	--
Capital assets:							
Nondepreciable:							
Land	966,032	--	6,230,797	1,098,492	--	550,000	688,335
Construction in progress	455,449	--	--	--	--	--	406,663
Depreciable:							
Buildings	19,829,643	--	--	198,833	--	1,366,998	--
Structures and improvements	2,596,550	--	--	--	--	--	--
Vehicles	2,069,923	--	--	--	--	--	--
Machinery and equipment	8,082,560	--	36,088	--	1,664	417,997	288,369
Less: accumulated depreciation	(14,295,296)	--	(27,115)	--	--	(634,272)	(110,586)
Intangible assets, net of accumulated depreciation	--	--	17,299	--	--	--	--
Total noncurrent assets	<u>23,458,027</u>	<u>--</u>	<u>6,295,806</u>	<u>1,297,325</u>	<u>1,664</u>	<u>1,700,723</u>	<u>1,272,781</u>
Total assets	<u>34,692,456</u>	<u>1,198,583</u>	<u>7,048,175</u>	<u>1,306,857</u>	<u>3,286,789</u>	<u>2,847,381</u>	<u>2,020,085</u>
DEFERRED OUTFLOWS							
Related to Pensions	2,552,371	--	--	--	--	--	--
Total deferred outflows of resources	<u>2,552,371</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
LIABILITIES							
Current liabilities payable from current assets:							
Accounts payable	433,439	21,165	5,915	--	752	14,239	41,202
Refunds payable	35,422	--	--	--	--	--	--
Payroll payable	215,964	--	--	--	--	89,902	7,175
Notes payables	180,107	--	--	--	--	--	--
Intergovernmental payable	390,770	--	--	--	64,929	--	--
Current liabilities payable from restricted assets:							
restricted assets:							
Notes payable	--	--	142,948	--	--	31,253	--
Interest payable	--	--	326,746	--	--	1,161	--
Unearned revenues - other fees	23,670	--	30,000	--	--	--	--
Noncurrent liabilities:							
Notes payable - due in more than one year	360,216	--	4,506,913	--	--	1,087,648	--
OPEB payable (non-participating)	91,854	187,746	--	--	--	--	86,844
Net pension liability	6,223,474	--	--	--	--	--	--
Compensated absences payable	679,798	--	--	--	--	49,732	--
Total liabilities	<u>8,634,714</u>	<u>208,911</u>	<u>5,012,522</u>	<u>--</u>	<u>65,681</u>	<u>1,273,935</u>	<u>135,221</u>
DEFERRED INFLOWS							
Related to pensions	365,584	--	--	--	--	--	--
Total deferred inflows of resources	<u>365,584</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
NET POSITION							
Net investment in capital assets, net of related debt	19,164,538	--	8,973	1,297,325	--	581,822	716,420
Restricted for:							
Community development projects	--	--	38,737	--	--	--	--
Other purposes	3,753,166	--	--	--	--	63,360	--
Unrestricted	5,326,825	989,672	1,987,943	9,532	3,221,108	928,264	1,168,444
Total net position	<u>\$ 28,244,529</u>	<u>\$ 989,672</u>	<u>\$ 2,035,653</u>	<u>\$ 1,306,857</u>	<u>\$ 3,221,108</u>	<u>\$ 1,573,446</u>	<u>\$ 1,884,864</u>

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, 2017

Functions / Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position							
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Board of Health	Development Authority	Component Units			
					Governmental Activities	Total			Historic Landmark	Farmland Protection	Emergency Services	Parks and Recreation
Primary government:												
Governmental activities:												
General government	\$ 12,167,767	\$ 4,309,472	\$ 141,658	\$ --	\$ (7,716,637)	\$ (7,716,637)						
Public safety	11,341,398	--	110,322	63,227	(11,167,849)	(11,167,849)						
Health and sanitation	91,708	--	--	--	(91,708)	(91,708)						
Culture and recreation	1,621,831	--	--	--	(1,621,831)	(1,621,831)						
Social services	20,000	--	56,628	--	36,628	36,628						
Capital projects	115,233	--	--	--	(115,233)	(115,233)						
Total governmental activities	<u>25,357,937</u>	<u>4,309,472</u>	<u>308,608</u>	<u>63,227</u>	<u>(20,676,630)</u>	<u>(20,676,630)</u>						
Total primary government	<u>\$ 25,357,937</u>	<u>\$ 4,309,472</u>	<u>\$ 308,608</u>	<u>\$ 63,227</u>	<u>(20,676,630)</u>	<u>(20,676,630)</u>						
Component units:												
Board of Health	928,739	351,781	439,131	--	--	--	\$ (137,827)	\$ --	\$ --	\$ --	\$ --	\$ --
Economic Development	487,224	--	5,000	--	--	--	--	(482,224)	--	--	--	--
Historic Landmark	237,369	2,477	18,369	--	--	--	--	--	(216,523)	--	--	--
Farmland Protection	1,438,859	--	19,316	--	--	--	--	--	--	(1,419,543)	--	--
Emergency Services Agency	2,250,805	--	--	--	--	--	--	--	--	--	(2,250,805)	--
Parks and Recreation	1,152,274	616,323	39,729	--	--	--	--	--	--	--	--	(496,222)
Total component units	<u>\$ 6,495,270</u>	<u>\$ 970,581</u>	<u>\$ 521,545</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (137,827)</u>	<u>\$ (482,224)</u>	<u>\$ (216,523)</u>	<u>\$ (1,419,543)</u>	<u>\$ (2,250,805)</u>	<u>\$ (496,222)</u>
General revenues:												
Ad valorem property taxes					\$ 13,036,107	\$ 13,036,107	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Alcoholic beverages tax					43,784	43,784	--	--	--	--	--	--
Hotel occupancy tax					775,514	775,514	--	--	--	--	--	--
Gas and oil severance tax					58,840	58,840	--	--	--	--	--	--
Other taxes					765,044	765,044	--	--	23,437	808,073	--	354,501
Coal severance tax					92,799	92,799	--	--	--	--	--	--
Licenses and permits					1,625,206	1,625,206	--	--	--	--	--	--
Intergovernmental:												
Federal					--	--	--	62,599	185,393	--	--	--
State					--	--	--	401,913	--	--	--	--
Local					--	--	--	--	--	--	2,265,674	246,280
Interest and investment earnings					85,125	85,125	5,944	5,769	--	18,008	2,888	3,109
Refunds					(6,346)	(6,346)	--	--	--	--	--	--
Reimbursement					747,893	747,893	--	--	--	--	--	--
Net gain (loss) on sale of investments					29,150	29,150	--	(171,462)	--	--	7,100	--
Miscellaneous					5,011,551	5,011,551	7,084	30,000	500	1,788	763	2,829
Total general revenues					<u>22,264,667</u>	<u>22,264,667</u>	<u>13,028</u>	<u>328,819</u>	<u>209,330</u>	<u>827,869</u>	<u>2,276,425</u>	<u>606,719</u>
Change in net position					1,588,037	1,588,037	(124,799)	(153,405)	(7,193)	(591,674)	25,620	110,497
Net position - beginning (restated, Note III-J)					<u>26,656,492</u>	<u>26,656,492</u>	<u>1,114,471</u>	<u>2,188,968</u>	<u>1,314,050</u>	<u>3,812,782</u>	<u>1,547,826</u>	<u>1,774,368</u>
Net position - ending					<u>\$ 28,244,529</u>	<u>\$ 28,244,529</u>	<u>\$ 989,672</u>	<u>\$ 2,035,563</u>	<u>\$ 1,306,857</u>	<u>\$ 3,221,108</u>	<u>\$ 1,573,446</u>	<u>\$ 1,884,865</u>

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

JEFFERSON COUNTY, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS (Unaudited)
June 30, 2017

	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	\$ 4,404,012	\$ 185,464	\$ 3,657,474	\$ --	\$ 1,191,297	\$ 9,438,247
Receivables, net of allowance for uncollectibles:						
Taxes	676,180	--	--	--	--	676,180
Accounts	362,745	--	--	--	--	362,745
Intergovernmental receivable	623,840	--	--	--	3,600	627,440
Due from:						
Other funds	35,145	--	--	--	46,223	81,368
Inventory, at cost	2,946	--	--	--	--	2,946
Prepaid expenses	99,901	--	--	--	26,970	126,871
Restricted cash	--	--	--	3,753,166	--	3,753,166
Total assets	<u>6,204,769</u>	<u>185,464</u>	<u>3,657,474</u>	<u>3,753,166</u>	<u>1,268,090</u>	<u>15,068,963</u>
Deferred Outflows						
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 6,204,769</u>	<u>\$ 185,464</u>	<u>\$ 3,657,474</u>	<u>\$ 3,753,166</u>	<u>\$ 1,268,090</u>	<u>\$ 15,068,963</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities						
Accounts payable	389,866	--	4,229	--	39,344	433,439
Misc payable	35,422	--	--	--	--	35,422
Payroll payable	215,964	--	--	--	--	215,964
Contracts Payable	--	--	540,323	--	--	540,323
Intergovernmental payable	382,307	--	--	--	8,463	390,770
Due to:						
Other funds	46,223	--	--	--	35,145	81,368
Unearned revenue - other fees	23,670	--	--	--	--	23,670
Total liabilities	<u>1,093,452</u>	<u>--</u>	<u>544,552</u>	<u>--</u>	<u>82,952</u>	<u>1,720,956</u>
Deferred Inflows						
Deferred revenue - taxes	<u>512,490</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>512,490</u>
Total deferred inflows of resources	<u>512,490</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>512,490</u>
Total liabilities and deferred inflows of resources	<u>1,605,942</u>	<u>--</u>	<u>544,552</u>	<u>--</u>	<u>82,952</u>	<u>2,233,446</u>
Fund balances						
Nonspendable	137,992	--	--	--	73,193	211,185
Restricted	--	185,464	--	3,753,166	50,731	3,989,361
Committed	--	--	3,112,922	--	306,560	3,419,482
Assigned	3,850,271	--	--	--	754,654	4,604,925
Unassigned	610,564	--	--	--	--	610,564
Total fund balances	<u>4,598,827</u>	<u>185,464</u>	<u>3,112,922</u>	<u>3,753,166</u>	<u>1,185,138</u>	<u>12,835,517</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 6,204,769</u>	<u>\$ 185,464</u>	<u>\$ 3,657,474</u>	<u>\$ 3,753,166</u>	<u>\$ 1,268,090</u>	<u>\$ 15,068,963</u>

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, 2017

Total fund balances on the governmental fund's balance sheet	\$	12,835,517
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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)		19,704,861
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Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. (Note III - B)		512,490
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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, 2017 were as follows:

Deferred outflow - Changes in employer portion and differences between contributions and proportionate share of pension expense	\$	1,448,601	
Deferred outflow - Employer contributions to pension plan after measurement date		1,103,770	
Deferred inflow - Differences between projected and actual investment earnings		<u>(365,584)</u>	2,186,787

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)		<u>(6,995,126)</u>
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Net position of governmental activities	\$	<u><u>28,244,529</u></u>
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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, 2017

	General	Coal Severance Tax	County Capital Outlay	Impact Fees	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem property taxes	\$ 13,054,520	\$ --	\$ --	\$ --	\$ --	\$ 13,054,520
Alcoholic beverages tax	43,784	--	--	--	--	43,784
Hotel occupancy tax	775,514	--	--	--	--	775,514
Gas and oil severance tax	58,840	--	--	--	--	58,840
Other taxes	745,167	--	--	--	--	745,167
Coal severance tax	--	92,799	--	--	--	92,799
Licenses and permits	252,848	--	--	1,302,838	69,520	1,625,206
Intergovernmental:						
Federal	230,177	--	--	--	2,114	232,291
State	--	--	--	--	139,544	139,544
Charges for services	3,882,818	--	--	--	34,612	3,917,430
Fines and forfeits	69,244	--	--	--	322,798	392,042
Interest and investment earnings	33,495	786	15,301	15,332	384	65,298
Refunds	--	--	--	(6,346)	--	(6,346)
Reimbursements	166,213	--	--	--	581,680	747,893
Payments in lieu of taxes	19,877	--	--	--	--	19,877
Contributions and donations	285,450	--	--	--	3,435	288,885
Miscellaneous	3,946,016	--	--	--	776,650	4,722,666
Total revenues	23,563,963	93,585	15,301	1,311,824	1,930,737	26,915,410
EXPENDITURES						
Current:						
General government	10,682,623	--	6,544	--	1,062,209	11,751,376
Public safety	10,795,047	--	--	81,000	103,964	10,980,011
Health and sanitation	77,400	14,308	--	--	--	91,708
Culture and recreation	1,521,937	--	--	--	--	1,521,937
Social services	20,000	--	--	--	--	20,000
Capital outlay	183,225	--	2,234,712	--	77,835	2,495,772
Total expenditures	23,280,232	14,308	2,241,256	81,000	1,244,008	26,860,804
Excess (deficiency) of revenues over expenditures	283,731	79,277	(2,225,955)	1,230,824	686,729	54,606
OTHER FINANCING SOURCES (USES)						
Transfers in	677,932	--	1,390,981	--	653,392	2,722,305
Transfers (out)	(2,006,393)	--	--	--	(715,912)	(2,722,305)
Defeasance of debt	19,827	--	--	--	--	19,827
Long-term debt issued (bonds/notes)	--	--	720,430	--	--	720,430
Capital purchases with proceeds of long -term debt	--	--	(720,430)	--	--	(720,430)
Proceeds from the sale of assets	1,150	--	28,000	--	--	29,150
Total other financing sources (uses)	(1,307,484)	--	1,418,981	--	(62,520)	48,977
Net change in fund balances	(1,023,753)	79,277	(806,974)	1,230,824	624,209	103,583
Fund balances - beginning (restated Note III-J)	5,622,580	106,187	3,919,896	2,522,342	560,929	12,731,934
Fund balances - ending	\$ 4,598,827	\$ 185,464	\$ 3,112,922	\$ 3,753,166	\$ 1,185,138	\$ 12,835,517

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, 2017

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

Net change in fund balances - total governmental funds	\$	103,583
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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)		2,495,769
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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)		(1,160,208)
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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:	\$ 530,903	
Current year deferred revenues:	<u>512,490</u>	(18,413)

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	\$ 1,103,770	
Amount of pension expenses recognized at government-wide level	<u>(1,010,380)</u>	93,390

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.		<u>73,916</u>
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Change in net position of governmental activities	\$	<u><u>1,588,037</u></u>
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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, 2017

	Budgeted Amounts		Actual Modified	Actual Amounts	Variance with
	Original	Final	Accrual Basis	Budget Basis	Final Budget Positive (Negative)
REVENUES					
Taxes:					
Ad valorem property taxes	\$ 13,320,919	13,321,919	\$ 13,054,520	\$ 13,054,520	\$ (267,399)
Alcoholic beverages tax	32,000	43,000	43,784	43,784	784
Hotel occupancy tax	549,500	764,918	775,514	775,514	10,596
Gas and oil severance tax	83,732	58,800	58,840	58,840	40
Other taxes	797,082	796,228	745,167	745,167	(51,061)
Licenses and permits	250,181	240,181	252,848	252,848	12,667
Intergovernmental:					
Federal	170,000	240,000	230,177	230,177	(9,823)
Charges for services	3,468,871	3,675,924	3,882,818	3,882,818	206,894
Fines and forfeitures	98,000	69,300	69,244	69,244	(56)
Interest and investment earnings	20,200	33,737	33,495	33,495	(242)
Reimbursements	346,800	302,520	166,213	166,213	(136,307)
Payments in lieu of taxes	11,676	11,676	19,877	19,877	8,201
Contributions and donations	- -	- -	285,450	285,450	285,450
Miscellaneous	3,891,998	3,904,881	3,946,016	3,946,016	41,135
Total revenues	23,040,959	23,463,084	23,563,963	23,563,963	100,879
EXPENDITURES					
Current:					
General government	10,862,295	10,891,708	10,682,623	10,682,623	209,085
Public safety	10,589,090	10,732,989	10,795,047	10,795,047	(62,058)
Health and sanitation	15,600	15,600	77,400	77,400	(61,800)
Culture and recreation	1,130,054	1,345,472	1,521,937	1,521,937	(176,465)
Social services	20,000	20,000	20,000	20,000	- -
Capital outlay	- -	189,000	183,225	183,225	5,775
Total expenditures	22,617,039	23,194,769	23,280,232	23,280,232	(85,463)
Excess (deficiency) of revenues over expenditures	423,920	268,315	283,731	283,731	15,416
OTHER FINANCING SOURCES (USES)					
Transfers in	704,267	711,511	677,932	677,932	(33,579)
Transfers (out)	(2,869,241)	(3,470,826)	(2,006,393)	(2,006,393)	1,464,433
Defeasance of debt	- -	- -	19,827	19,827	19,827
Proceeds from the sale of assets	- -	- -	1,150	1,150	1,150
Total other financing sources (uses)	(2,164,974)	(2,759,315)	(1,307,484)	(1,307,484)	1,451,831
Net change in fund balance	(1,741,054)	(2,491,000)	(1,023,753)	(1,023,753)	1,467,247
Fund balance - beginning (restated Note III J)	5,622,580	5,622,580	5,622,580	5,622,580	- -
Fund balance - ending	\$ 3,881,526	\$ 3,131,580	\$ 4,598,827	\$ 4,598,827	\$ 1,467,247

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, 2017

	Budgeted Amounts		Actual Modified	Actual Amounts	Variance with
	Original	Final	Accrual Basis	Budget Basis	Final Budget Positive (Negative)
REVENUES					
Taxes:					
Coal severance tax	\$ 86,000	\$ 86,000	\$ 92,799	\$ 92,799	\$ 6,799
Interest and investment earnings	250	250	786	786	536
Total revenues	86,250	86,250	93,585	93,585	7,335
EXPENDITURES					
Current:					
General government	71,250	160,437	--	--	160,437
Public safety	--	17,000	--	--	17,000
Health and sanitation	15,000	15,000	14,308	14,308	692
Total expenditures	86,250	192,437	14,308	14,308	178,129
Excess (deficiency) of revenues over expenditures	--	(106,187)	79,277	79,277	185,464
OTHER FINANCING SOURCES (USES)					
Total other financing sources (uses)	--	--	--	--	--
Net change in fund balance	--	(106,187)	79,277	79,277	185,464
Fund balance - beginning	106,187	106,187	106,187	106,187	--
Fund balance - ending	\$ 106,187	\$ --	\$ 185,464	\$ 185,464	\$ 185,464

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, 2017

	Pension 457(b) Trust Fund	Agency Funds
ASSETS		
Non-pooled cash	\$ - -	\$ 1,633,735
Investments, at fair value	<u>498,928</u>	<u>- -</u>
Total assets	<u>498,928</u>	<u>1,633,735</u>
DEFERRED OUTFLOWS		
Total deferred outflows of resources	<u>- -</u>	<u>- -</u>
Total assets and deferred outflows of resources	<u>\$ 498,928</u>	<u>\$ 1,633,735</u>
LIABILITIES		
Due to: other governments	<u>- -</u>	<u>1,633,735</u>
Total liabilities	<u>- -</u>	<u>1,633,735</u>
DEFERRED INFLOWS		
Total deferred inflows of resources	<u>- -</u>	<u>- -</u>
Total liabilities and deferred inflows of resources	<u>\$ - -</u>	<u>\$ 1,633,735</u>
NET POSITION		
Restricted for pension / other benefits	<u>\$ 498,928</u>	<u>\$ - -</u>

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

JEFFERSON COUNTY, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS (Unaudited)
For the Fiscal Year Ended June 30, 2017

	<u>Pension 457(b) Trust Fund</u>	<u>Agency Funds</u>
ADDITIONS:		
Contributions - employees	\$ 19,474	\$ - -
Net investment income	<u>46,391</u>	<u>- -</u>
Total Additions	<u>65,865</u>	<u>- -</u>
DEDUCTIONS:		
Withdrawals / transfers out	38,775	- -
Service charges	<u>1,000</u>	<u>- -</u>
Total Deductions	<u>39,775</u>	<u>- -</u>
Change in net position	<u>26,090</u>	<u>- -</u>
Net position - beginning	472,838	- -
Net position - ending	<u>\$ 498,928</u>	<u>\$ - -</u>

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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017
UNAUDITED

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 for directing, supervising and carrying out matters related to public health of the

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

JEFFERSON COUNTY, WEST VIRGINIA
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 two fiduciary fund types:

The *pension trust funds* account for activities of the County's elective retirement plans, which accumulate resources for pension benefit payments to qualified employees.

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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017
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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:

<u>Class of Property</u>	<u>Assessed Valuation for Tax Purposes</u>	<u>Current Expense</u>
Class I	\$ -	\$ 13.94
Class II	2,127,107,610	27.88
Class III	867,108,278	55.76
Class IV	397,765,932	55.76

3. Inventories and Prepaid Items

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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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

JEFFERSON COUNTY, WEST VIRGINIA
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The face amount of debt issued is reported as other financing sources. Debt service payments are considered expenditures in the period due.

8. 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 County'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.

9. 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 \$23,670 in unearned revenue.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Fund Balances

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

The **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.

The **restricted** fund balance 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.

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 are to be reported as **committed** fund balance. Additionally, the approval does not automatically lapse at the end of the fiscal year.

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, are to be reported as **assigned** fund balance.

Unassigned fund balance is 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 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.

11. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those asset. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017
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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.

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		Coal Severance	
	Increase/ (Decrease)		Increase/ (Decrease)	
General government expenditure	\$	29,413	\$	89,187
Public safety expenditure		143,899		17,000
Culture and recreation expenditure		215,418		- -
Capital projects expenditure		189,000		- -
Transfers to other funds		601,585		- -

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 \$ 16,014,864. 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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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III. DETAILED NOTES ON ALL FUNDS (continued)

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	\$ 9,438,247
Cash and cash equivalents-restricted - Impact Fees	3,753,166
Cash and cash equivalents-restricted - Agency Fund	1,633,735
Total cash and cash equivalents	<u>\$ 14,825,148</u>

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	State Grant Fund	Total
Receivables:			
Taxes	\$ 895,030	\$ - -	\$ 895,030
Accounts	396,524	- -	396,524
Intergovernmental	<u>623,840</u>	<u>3,600</u>	<u>627,440</u>
Gross Receivables	<u>1,915,394</u>	<u>3,600</u>	<u>1,918,994</u>
Less: Allowance for Uncollectible	<u>(252,629)</u>	<u>- -</u>	<u>(252,629)</u>
Net Total Receivables	<u>\$ 1,662,765</u>	<u>\$ 3,600</u>	<u>\$ 1,666,365</u>

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	\$ - -	\$ 512,490
Deferred Revenue Ambulance Fees Paid in Advance	<u>23,670</u>	<u>- -</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 23,670</u>	<u>\$ 512,490</u>

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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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III. DETAILED NOTES ON ALL FUNDS (continued)

purchased. At June 30, 2017, prepaid assets in the General Fund and the Assessor's Valuation Fund totaled \$99,901 and \$26,970, respectively.

D. Capital Assets

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

	Primary Government				
	<u>Beginning Balance (restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 866,554	\$ 99,478	\$ --	\$ --	\$ 966,032
Construction in progress	<u>145,827</u>	<u>455,449</u>	<u>--</u>	<u>(145,827)</u>	<u>455,449</u>
Total capital assets not being depreciated	<u>1,012,381</u>	<u>554,927</u>	<u>--</u>	<u>(145,827)</u>	<u>1,421,481</u>
Capital assets being depreciated:					
Buildings and improvements	19,024,780	804,863	--	--	19,829,643
Structures and improvements	2,441,972	94,776	--	59,802	2,596,550
Machinery and equipment	7,263,285	823,026	(89,776)	86,025	8,082,560
Vehicles	1,864,746	218,177	(13,000)	--	2,069,923
Less: Total accumulated depreciation	<u>(13,237,864)</u>	<u>(1,160,208)</u>	<u>102,776</u>	<u>--</u>	<u>(14,295,296)</u>
Total capital assets being depreciated, net	<u>17,356,919</u>	<u>780,634</u>	<u>--</u>	<u>145,827</u>	<u>18,283,380</u>
Governmental activities capital assets, net	<u>\$ 18,369,300</u>	<u>\$ 1,335,561</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 19,704,861</u>

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

Governmental activities:

General government	\$ 431,606
Public safety	628,708
Culture and recreation	<u>99,894</u>
Total depreciation expense-governmental activities	<u>\$ 1,160,208</u>

Construction in Progress

The government has (1) active construction project as of the fiscal year ended June 30, 2017. At fiscal year end, the courthouse renovation project had expenditures totaling \$455,449 and was funded by the Capital Outlay fund.

JEFFERSON COUNTY, WEST VIRGINIA
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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:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Jury & Witness	General County	\$ 34,187
State Grant Fund	General County	958
General County	Assessor Valuation Fund	2,844
General County	State Grant Fund	5,821
General County	General School Fund	11,220
General County	Magistrate Court Fund	26,338
Total due to/from other funds		<u>\$ 81,368</u>

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 2017. The temporary advance will then be reversed.

Interfund transfers:

	Transfers in:						Total
	<u>General County</u>	<u>State Grants</u>	<u>General School</u>	<u>Magistrate Court</u>	<u>Financial Stabilization</u>	<u>Capital Outlay</u>	
Transfers out:							
General County	\$ --	\$ 5,821	\$ 11,220	\$ 26,338	\$ 610,013	\$ 1,390,981	\$ 2,044,373
General School	186,714	--	--	--	--	--	186,714
Dog & Kennel	39,312	--	--	--	--	--	39,312
Assessor Valuation	446,341	--	--	--	--	--	446,341
Subdivision Forfeiture	5,565	--	--	--	--	--	5,565
Total transfers out	<u>\$ 677,932</u>	<u>\$ 5,821</u>	<u>\$ 11,220</u>	<u>\$ 26,338</u>	<u>\$ 610,013</u>	<u>\$ 1,390,981</u>	<u>\$ 2,722,305</u>

Transfers from General County to State Grants, General School and Magistrate Court of \$5,821, \$11,220 and \$26,338 respectively represent operating transfers. The transfer of \$1,390,981 and \$610,013 from General County to the Capital Outlay and the Financial Stabilization funds respectively represents the General Fund contribution toward the respective fund balances for future capital purchases and financial management.

The transfers from General School to General County totaling \$186,714 represent support for jail fees. The transfer of \$39,312 from the Dog & Kennel fund to General County represents operating transfers. The transfer of \$446,341 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 \$5,565 from the Subdivision Forfeiture fund to the General County fund represents payment from funds held in a bond escrow account for engineering services.

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NOTES TO THE FINANCIAL STATEMENTS
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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	\$ 2,946	\$ --	\$ --	\$ --	\$ --	\$ 2,946
Prepaid items	99,901	--	--	--	26,970	126,871
Advances to other funds	35,145	--	--	--	46,223	81,368
Restricted:						
General government	--	153,464	--	--	16,337	169,801
Public safety	--	17,000	--	116,964	34,394	168,358
Culture and recreation	--	--	--	149,378	--	149,378
Health and sanitation	--	15,000	--	--	--	15,000
School	--	--	--	3,486,824	--	3,486,824
Committed:						
General government	--	--	--	--	306,560	306,560
Capital projects	--	--	3,112,922	--	--	3,112,922
Assigned:						
General government	1,825,700	--	--	--	688,721	2,514,421
Public safety	1,799,100	--	--	--	65,933	1,865,033
Culture and recreation	225,471	--	--	--	--	225,471
Unassigned:	610,564	--	--	--	--	610,564
Total fund balances	<u>\$ 4,598,827</u>	<u>\$ 185,464</u>	<u>\$ 3,112,922</u>	<u>\$ 3,753,166</u>	<u>\$ 1,185,138</u>	<u>\$ 12,835,517</u>

Rainy Day Reserve Policy

The County has adopted a fund balance policy which states that the County will maintain a general county fund balance equal to 16.67% of general fund operating expenditures to provide for adequate working capital and to meet unforeseen emergencies. The County Commission has the discretion to determine whether circumstances or events constitute an emergency. Following use of the reserve, the County must restore the reserve to the 16.67% level within a two year period. Should the unencumbered balance rise above the amount stated in the policy, 50% of the excess amount will be placed into a Rainy Day Fund or the "Financial Stabilization" Fund. At June 30th, fund balance in the General Fund was sufficient to meet the Rainy Day Reserve Requirement and 50% (\$610,013) of the excess fund balance amount was transferred to the Financial Stabilization Fund.

G. Leases

Operating Leases

The government leased office facilities under an operating lease that expired this fiscal year and was not renewed. Total cost for the lease was \$38,556 for this fiscal year. No future minimum lease payments are due.

JEFFERSON COUNTY, WEST VIRGINIA
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III. DETAILED NOTES ON ALL FUNDS (continued)

H. Long-term Debt

The County issues debt to provide funds for the acquisition or construction of major capital assets. General long-term debt was issued during the fiscal year and are direct obligations of the County. The long-term obligations of the County currently outstanding are as follows:

Changes in Long-term Liabilities

	Date of Issue	Date of Maturity	Interest Rate		Governmental Activities				Due Within One Year
					Beginning Balance (Restated)	Additions	Reductions	Ending Balance	
Notes Payable:									
General purpose	09/01/2016	03/31/2020	0%	\$	--	\$ 720,430	\$ (180,107)	\$ 540,323	\$ 180,108
Other Obligations:									
Net OPEB obligation					53,729	\$ 112,445	\$ (74,320)	\$ 91,854	\$ --
Net pension liability					3,724,403	3,875,172	(1,376,101)	6,223,474	--
Compensated absences					644,007	757,587	(721,796)	679,798	--
Governmental activities									
Long-term liabilities					\$ 4,422,139	\$ 5,465,634	\$ (2,352,324)	\$ 7,535,449	\$ 180,108

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

During the fiscal year, the County issued \$720,430 in notes payable to finance general capital improvement projects. The interest rate is 0% and is to be repaid over a period of 4 years. The debt is intended to be paid for from the Capital Outlay fund.

I. Conduit Debt Obligations

From time to time, the County has participated in the issuance of Economic / Mortgage Revenue Bonds to provide financial assistance to private-sector individuals or entities for the acquisition of residential homes deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired properties transfers to the private-sector individual or entity served by the bond issuance. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

During the fiscal year, the final payments were made to bond holders of the 1984A Single Family Mortgage revenue bond issue and it was fully defeased and paid in full. The County received \$19,827 for its' prorata share of the excess funds and this is shown as an Other Financing Source of funding.

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III. DETAILED NOTES ON ALL FUNDS (continued)

J. Restricted Assets

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

Impact fee account	\$ 3,753,166
Agency funds	<u>1,633,735</u>
Total restricted assets	<u>\$ 5,386,901</u>

K. Prior Period Adjustment

A prior period adjustment of \$169,504 was made to the General County fund to record certain revenues earned in fiscal year 2015 and 2016 in accordance with Generally Accepted Accounting Procedures (GAAP). Additionally, a prior period adjustment was made to the special revenue funds of (\$1,030) to record certain expenditures that were payable in fiscal year 2016 in accordance with GAAP.

The following restatement was performed to beginning governmental fund balances:

	<u>General</u>	<u>Other Nonmajor Governmental Funds</u>
Fund balances, as previously stated	\$ 5,453,076	\$ 561,959
Add:		
Fiscal year 2015 income	49,789	
Fiscal year 2016 income	119,715	- -
Deduct:		
Fiscal year 2016 expenditures	<u>- -</u>	<u>(1,030)</u>
Fund balances, restated	<u>\$ 5,572,791</u>	<u>\$ 560,929</u>

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

	<u>Governmental Activities</u>
Net position, (government-wide balance), as previously stated	\$ 29,027,287
Add:	
Fiscal year 2015 income	49,789
Fiscal year 2016 income	119,715
Pension expense:	
Defererd outflows, Related to pensions	75,967
Defererd inflows, Related to pensions	197,216
Deduct:	
Fiscal year 2016 expenditures	(1,030)
Fiscal year 2012 fixed asset, net	(10,511)
Pension expense:	
Net pension liability	<u>(2,801,941)</u>
Net position, (government-wide balance), restated	<u>\$ 26,656,492</u>

JEFFERSON COUNTY, WEST VIRGINIA
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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 Transactions

There are none to report

C. 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.

D. 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. Total asset value, additions and deductions are shown in the fiduciary fund statements in accordance with Governmental Accounting Standards Board (GASB), Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

JEFFERSON COUNTY, WEST VIRGINIA
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IV. OTHER INFORMATION (continued)

E. 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 in fiscal years 2017, 2016, and 2015 of \$38,125, \$27,939, and \$25,790 respectively 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 2017 and 2016, total premiums paid for retiree medical benefits were \$74,320 and \$84,506 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	<u>44</u>

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.

JEFFERSON COUNTY, WEST VIRGINIA
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IV. OTHER INFORMATION (continued)

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 2017 and 2016, the county contributed \$74,320 and \$84,506 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.

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	<u>112,445</u>
Employer Contributions Made	<u>(74,320)</u>
Increase in Net OPEB Obligation	38,125
Net OPEB Obligation, Beginning of Year	<u>53,729</u>
Net OPEB Obligation, End of Year	<u><u>\$ 91,854</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ending June 30, 2017, 2016 and 2015 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/17	\$ 112,445	\$ 74,320	66%	\$ 91,854
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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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IV. OTHER INFORMATION (continued)

The funded status of the plan as of July 1, 2016 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
July 1, 2015	\$ -	\$ 1,477,030	\$ 1,477,030	0%	Not Available	Not Available
July 1, 2016	\$ -	\$ 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 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

**JEFFERSON COUNTY, WEST VIRGINIA
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IV. OTHER INFORMATION (continued)

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:

Cost Sharing Multiple Employer Pension Plans

West Virginia Public Employees Retirement System (PERS)

West Virginia Deputy Sheriff Retirement System (WVDRS)

West Virginia Public Employees Retirement System

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
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 (3) highest consecutive years in the last 15 years of earnings) times the years of service times 2% equals the annual retirement benefit. For employees hired after July 1, 2015, average salary is the average of the five (5) consecutive highest annual earnings out of the last 15.
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

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V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Terminated members Terminated members with at least five (5) years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity at age 62. For employees hired after July 1, 2015, this age increases to 64.

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 annual earnings. Effective July 1, 2015, newly hired members contribute 6% of annual earnings. The governmental entity contribution rates of 12.0%, 13.5%, and 14.0% of covered payroll for the years ending June 30, 2017, 2016, and 2015 respectively.

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

At June 30, 2017, the County reported a liability of \$5,108,365 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016. 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, 2016, the County's proportion was 0.556%, which was an increase of 0.016% from its proportion measured as of June 30, 2015. 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	\$ 1,128,109	\$ -
Changes in assumptions	-	248,872
Changes in proportion and differences between County contributions and proportionate share of contributions	116,900	61,701
County contributions subsequent to the measurement	903,125	-
Total	\$ <u>2,148,134</u>	\$ <u>310,573</u>

\$903,125 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.

**JEFFERSON COUNTY, WEST VIRGINIA
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V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized and will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	24,782
2019		24,782
2020		2,726
Total	\$	<u>52,290</u>

Actuarial Assumptions. The total pension liability in the July 1, 2016 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 - through FY 2035

Projected Salary Increases - Range from 3.35% to 6.0% per year

Date of most recent experience study - 2004-2009

Mortality Tables - Healthy Males: 110% of RP-2000 Non-Annuitant, Scale AA fully generational; Healthy Females: 101% of RP-2000 Non-Annuitant, Scale AA fully generational; Disabled Males: 96% of RP-2000 Disabled-Annuitant, Scale AA fully generational; and Disabled Females: 107% of RP-2000 Disabled-Annuitant, Scale AA fully generational.

Withdrawals – 2-35.8%

Asset Valuation Method - Fair value

Retirement Rates – 15%-100%

Disablement Rates – 0-.675%

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 – 3.00%

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 broad

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V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

asset class allocation guidelines for the assets managed for PERS. Policy and Strategic allocations are established on a market value basis.

These asset class ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Rates are summarized in the following table and include the inflation component as follows:

Asset Class	Policy Allocation	Strategic Allocation	Long-term Expected Real Rate of Return
Domestic Equity	30.0%	27.5%	7.0%
International Equity	30.0%	27.5%	7.7%
Private Equity	0.0%	10.0%	9.4%
Core Fixed Income	20.0%	7.5%	2.7%
High Yield Fixed Income	20.0%	7.5%	2.7%
Hedge Fund	0.0%	10.0%	4.7%
Real Estate	0.0%	10.0%	5.6%
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	(0.1)%	7.5%
Three-year	7.0%	7.5%
Five-year	7.0%	7.5%
Ten-year	6.2%	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	\$ 9,246,962	\$ 5,108,366	\$ 1,593,622

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V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Trend Information. The required contribution and the percentage of that amount contributed for the past five (5) years is as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2017	\$ 903,125	100%
2016	\$ 1,033,926	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 (five (5) highest consecutive years in the last ten (10) 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.
Terminated members	Terminated members with at least five (5) years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity at age 62.

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

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V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

contribution to WVDRS for the current fiscal year ending was \$200,645 for the employer's share. The governmental entity contribution rate was 12.0% of covered payroll for the fiscal years ending June 30, 2017, and 2016.

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

At June 30, 2017, the County reported a liability of \$1,115,109 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 rolled forward to June 30, 2016. 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, 2017, the County's proportion was 3.503%, which was an increase of 0.038% from its proportion measured as of June 30, 2016. 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	\$ 161,125	\$ -
Changes in proportion and differences between County contributions and proportionate share of contributions	42,467	55,011
County contributions subsequent to the measurement date	200,645	-
Total	<u>\$ 404,237</u>	<u>\$ 55,011</u>

\$200,645 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized and will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	1,295
2019		1,295
2020		1,295
2021		1,295
2022		1,244
2023		-
Total	<u>\$</u>	<u>6,424</u>

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Actuarial Assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method - Individual entry age normal cost with level percentage of payroll.

Amortization Method – Level dollar, fixed period.

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

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 - 2006-2011

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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Asset Valuation Method - Fair value

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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Inflation Rate – 3.0%

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 broad asset allocation class guidelines for the assets managed for WVDRS. Policy and Strategic allocations are established on a market value basis.

These asset class ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Rates are summarized in the following table and include the inflation component as follows:

Asset Class	Policy Allocation	Strategic Allocation	Long-term Expected Real Rate of Return
Domestic Equity	30.0%	27.5%	7.0%
International Equity	30.0%	27.5%	7.7%
Private Equity	0.0%	10.0%	9.4%
Core Fixed Income	20.0%	7.5%	2.7%
High Yield Fixed Income	20.0%	7.5%	2.7%
Hedge Fund	0.0%	10.0%	4.7%
Real Estate	0.0%	10.0%	5.6%
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	(0.1)%	7.5%
Three-year	7.0%	7.5%
Five-year	6.9%	7.5%
Ten-year	6.1%	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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

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	\$ 2,095,646	\$ 1,115,109	\$ 304,872

Trend Information. The required contribution and the percentage of that amount contributed for the past five (5) years is as follows:

Fiscal Year	Annual Pension Cost	Percentage Contributed
2017	\$ 200,645	100%
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
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2017
UNAUDITED

Jefferson County Commission Other Post Employment Benefits Plan
June 30, 2017

Schedule of 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
July 1, 2015	\$ -	\$ 1,477,030	\$ 1,477,030	0%	Not Available	Not Available
July 1, 2016	\$ -	\$ 1,477,030	\$ 1,477,030	0%	Not Available	Not Available

Schedule of Employer Contributions

Fiscal Year Ending June 30	Annual Required Contribution	Employer Contribution	Percentage of ARC Contributed	Net OPEB Obligation
2015	\$ 112,445	\$ 86,655	77%	\$ 25,790
2016	\$ 112,445	\$ 84,506	75%	\$ 53,729
2017	\$ 112,445	\$ 74,320	75%	\$ 91,854

**JEFFERSON COUNTY, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2017
UNAUDITED**

**Schedules of the County's Proportionate Share of the Net Pension Liability
June 30, 2017**

West Virginia Public Employee's Retirement System (PERS) Pension Plan
Last 4 Fiscal Years*

	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.555790%	0.539720%	0.555968%	0.541279%
County's proportionate share of the net pension liability (asset)	\$ 5,108,365	\$ 3,013,818	\$ 2,051,953	\$ 4,934,460
County's covered-employee payroll	\$ 7,526,047	\$ 7,658,711	\$ 7,319,363	\$ 7,481,013
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	67.9%	39.4%	28.0%	66.0%
Plan fiduciary net position as a percentage of the total pension liability	86.11%	91.29%	93.98%	79.70%

* The amounts presented for each fiscal year were determined as of 07/01.

West Virginia Public Deputy Sheriff Retirement System (WVDRS) Pension Plan
Last 4 Fiscal Years*

	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	3.502668%	3.464242%	3.736381%	3.558767%
County's proportionate share of the net pension liability (asset)	\$ 1,115,109	\$ 710,585	\$ 637,099	\$ 1,192,329
County's covered-employee payroll	\$ 1,672,041	\$ 1,727,192	\$ 1,650,943	\$ 1,730,843
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.7%	41.1%	38.6%	68.9%
Plan fiduciary net position as a percentage of the total pension liability	84.48%	89.31%	90.52%	80.20%

* The amounts presented for each fiscal year were determined as of 07/01.

**JEFFERSON COUNTY, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2017
UNAUDITED**

**Schedules of County Contributions
June 30, 2017**

West Virginia Public Employee's Retirement System (PERS) Pension Plan
Last 4 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 903,125	\$ 1,033,926	\$ 1,024,710	\$ 1,079,680
Contributions in relation to the contractually required contribution	<u>(903,125)</u>	<u>(1,033,926)</u>	<u>(1,024,710)</u>	<u>(1,079,680)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 7,526,047	\$ 7,658,711	\$ 7,319,363	\$ 7,481,013
Contributions as a percentage of covered-employee payroll	12.0%	13.5%	14.0%	14.4%

West Virginia Public Deputy Sheriff Retirement System (WVDRS) Pension Plan
Last 4 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 200,645	\$ 207,263	\$ 206,368	\$ 225,010
Contributions in relation to the contractually required contribution	<u>(200,645)</u>	<u>(207,263)</u>	<u>(206,368)</u>	<u>(225,010)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 1,672,041	\$ 1,727,192	\$ 1,650,943	\$ 1,730,843
Contributions as a percentage of covered-employee payroll	12.0%	12.0%	12.5%	13.0%

JEFFERSON COUNTY, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017
UNAUDITED

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through/ Project Number	Federal Expenditures
Executive Office of the President			
Pass-Through Washington/Baltimore HIDTA & Mercyhurst University High Intensity Drug Trafficking Areas (HIDTA) Program	95.001	N/A	\$ 63,225
Total Executive Office of the President			<u>63,225</u>
U.S. Department of Homeland Security			
Pass-Through State of West Virginia Division of Homeland Security and Emergency Management: Emergency Management Performance Grant	97.042	2016EMPG	50,791
Emergency Management Performance Grant	97.042	2017EMPG	50,791
Total Emergency Management Performance Grant			<u>101,582</u>
Homeland Security Grant - Resilient Jefferson	97.067	14-SHS-69	2,114
Total Homeland Security Grant			<u>2,114</u>
Total U.S. Department of Homeland Security			<u>103,696</u>
U.S. Department of Justice			
Pass-Through State of West Virginia Department of Criminal Justice Services: Crime Victim Assistance	16.575	15-VA-092	44,711
Crime Victim Assistance	16.575	15-VA-012	11,917
Enforcing Underage Drinking Laws Program	16.727	16-08	16,106
Total U.S. Department of Justice			<u>72,734</u>
U.S. Department of the Interior, Office of the Secretary			
Direct Programs: Payment in Lieu of Taxes	15.226	N/A	6,848
Total U.S. Department of the Interior, Office of the Secretary			<u>6,848</u>
U.S. Department of the Interior, Fish and Wildlife Service			
Direct Programs: National Wildlife Refuge Fund - Revenue Sharing	15.659	N/A	13,029
Total U.S. Department of the Interior, Fish and Wildlife Service			<u>13,029</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 259,532</u>

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017
UNAUDITED

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) includes the federal award activity of Jefferson County, West Virginia (the County) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principle contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

JEFFERSON COUNTY, WEST VIRGINIA
BUDGETARY COMPARISON SCHEDULE -
ASSESSOR'S VALUATION FUND (Unaudited)
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Modified	Actual Amounts	Variance with
	Original	Final	Accrual Basis	Budget Basis	Final Budget Positive (Negative)
REVENUES:					
Miscellaneous	\$ 561,107	\$ 561,107	\$ 593,253	\$ 593,253	\$ 32,146
Total revenues	561,107	561,107	593,253	593,253	32,146
EXPENDITURES:					
Current:					
General government	55,100	118,100	52,640	52,640	65,460
Capital outlay	- -	179,843	36,826	36,826	143,017
Total expenditures	55,100	297,943	89,466	89,466	208,477
Excess (deficiency) of revenues over expenditures	506,007	263,164	503,787	503,787	240,623
OTHER FINANCING SOURCES (USES)					
Transfers (out)	(572,975)	(572,975)	(446,341)	(446,341)	126,634
Total other financing sources (uses)	(572,975)	(572,975)	(446,341)	(446,341)	126,634
Net change in fund balance	(66,968)	(309,811)	57,446	57,446	367,257
Fund balance at beginning of year	66,968	309,811	316,486	316,486	6,675
Fund balance at end of year	\$ - -	\$ - -	\$ 373,932	\$ 373,932	\$ 373,932

JEFFERSON COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2017

	Dog & Kennel 003	General School 004	Magistrate Court 005	Worthless Check 006	Home Confinement 008	Federal Grants 009	State Grants 010
ASSETS AND DEFERRED OUTFLOWS							
Assets:							
Current:							
Cash and cash equivalents	\$ 6,004	\$ --	\$ 61	\$ 32,475	\$ 19,777	\$ --	\$ --
Receivables:							
Intergovernmental Receivables	--	--	--	--	--	--	3,600
Due from:							
Other funds	--	11,220	26,338	--	--	--	5,821
Prepaid expenses	--	--	--	--	--	--	--
Total assets	6,004	11,220	26,399	32,475	19,777	--	9,421
Deferred Outflows:							
Total deferred outflows of resources	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 6,004	\$ 11,220	\$ 26,399	\$ 32,475	\$ 19,777	\$ --	\$ 9,421
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	--	11,220	26,399	--	50	--	--
Due to:							
Other funds	--	--	--	--	--	--	958
Other governments	--	--	--	--	--	--	8,463
Total liabilities	--	11,220	26,399	--	50	--	9,421
Deferred Inflows:							
Total deferred inflows of resources	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	--	11,220	26,399	--	50	--	9,421
Fund balances:							
Nonspendable	--	11,220	26,338	--	--	--	5,821
Restricted	6,004	--	--	--	19,727	--	--
Committed	--	(11,220)	(26,338)	--	--	--	--
Assigned	--	--	--	32,475	--	--	(5,821)
Unassigned	--	--	--	--	--	--	--
Total fund balances	6,004	--	--	32,475	19,727	--	--
Total liabilities, deferred inflows and fund balances	\$ 6,004	\$ 11,220	\$ 26,399	\$ 32,475	\$ 19,777	\$ --	\$ 9,421

JEFFERSON COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2017

	Flood Hazard Mitigation 023	Waste Coal 039	Assessor's Valuation 056	Financial Stabilization 058	Concealed Weapons 059	Voter's Registration 063
ASSETS AND DEFERRED OUTFLOWS						
Assets:						
Current:						
Cash and cash equivalents	\$ 34,959	\$ 8,436	\$ 345,793	\$ 610,013	\$ 65,933	\$ --
Receivables:						
Intergovernmental Receivables	--	--	--	--	--	--
Due from:						
Other funds	--	--	2,844	--	--	--
Prepaid expenses	--	--	26,970	--	--	--
Total assets	<u>34,959</u>	<u>8,436</u>	<u>375,607</u>	<u>610,013</u>	<u>65,933</u>	<u>--</u>
Deferred Outflows:						
Total deferred outflows of resources	--	--	--	--	--	--
Total assets and deferred outflows of resources	<u>\$ 34,959</u>	<u>\$ 8,436</u>	<u>\$ 375,607</u>	<u>\$ 610,013</u>	<u>\$ 65,933</u>	<u>\$ --</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	--	--	1,675	--	--	--
Due to:						
Other funds	--	--	--	--	--	--
Other governments	--	--	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>1,675</u>	<u>--</u>	<u>--</u>	<u>--</u>
Deferred Inflows:						
Total deferred inflows of resources	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	<u>--</u>	<u>--</u>	<u>1,675</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:						
Nonspendable	--	--	29,814	--	--	--
Restricted	--	8,436	--	--	--	--
Committed	--	--	344,118	--	--	--
Assigned	34,959	--	--	610,013	65,933	--
Unassigned	--	--	--	--	--	--
Total fund balances	<u>34,959</u>	<u>8,436</u>	<u>373,932</u>	<u>610,013</u>	<u>65,933</u>	<u>--</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 34,959</u>	<u>\$ 8,436</u>	<u>\$ 375,607</u>	<u>\$ 610,013</u>	<u>\$ 65,933</u>	<u>\$ --</u>

JEFFERSON COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation 068	Jury & Witness 071	Law Enf. Forfeiture 073	Pros. Attny Forfeiture 074	Sub-Div Bond Forfeiture 075	Bardane Public Health Center 244	Total Nonmajor Special Revenue Funds
ASSETS AND DEFERRED OUTFLOWS							
Assets:							
Current:							
Cash and cash equivalents	\$ --	\$ 34,187	\$ 8,663	\$ 17,095	\$ 172	\$ 7,729	\$ 1,191,297
Receivables:							
Intergovernmental Receivables	--	--	--	--	--	--	3,600
Due from:							
Other funds	--	--	--	--	--	--	46,223
Prepaid expenses	--	--	--	--	--	--	26,970
Total assets	--	34,187	8,663	17,095	172	7,729	1,268,090
Deferred Outflows:							
Total deferred outflows of resources	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ --	\$ 34,187	\$ 8,663	\$ 17,095	\$ 172	\$ 7,729	\$ 1,268,090
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	--	--	--	--	--	--	39,344
Due to:							
Other funds	--	34,187	--	--	--	--	35,145
Other governments	--	--	--	--	--	--	8,463
Total liabilities	--	34,187	--	--	--	--	82,952
Deferred Inflows:							
Total deferred inflows of resources	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	--	34,187	--	--	--	--	82,952
Fund balances:							
Nonspendable	--	--	--	--	--	--	73,193
Restricted	--	--	8,663	--	172	7,729	50,731
Committed	--	--	--	--	--	--	306,560
Assigned	--	--	--	17,095	--	--	754,654
Unassigned	--	--	--	--	--	--	--
Total fund balances	--	--	8,663	17,095	172	7,729	1,185,138
Total liabilities, deferred inflows and fund balances	\$ --	\$ 34,187	\$ 8,663	\$ 17,095	\$ 172	\$ 7,729	\$ 1,268,090

JEFFERSON COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2017

	Dog & Kennel 003	General School 004	Magistrate Court 005	Worthless Check 006	Home Confinement 008	Federal Grants 009
REVENUES						
Taxes:						
Licenses and permits	26,720	--	--	--	--	--
Intergovernmental:						
Federal	--	--	--	--	--	2,114
State	--	--	--	--	--	--
Local	--	--	--	--	--	--
Charges for services	12,232	--	--	--	--	--
Fines and forfeits	--	220,034	36,096	955	65,713	--
Interest and investment earnings	33	--	19	16	20	--
Reimbursements	--	--	--	--	--	--
Contributions and donations	3,435	--	--	--	--	--
Miscellaneous	--	--	--	--	1,360	--
Total revenues	42,420	220,034	36,115	971	67,093	2,114
EXPENDITURES						
Current:						
General government	--	22,440	46,572	--	--	--
Public safety	3,896	--	--	--	46,008	2,114
Capital outlay	--	--	--	--	39,809	--
Total expenditures	3,896	22,440	46,572	--	85,817	2,114
Excess (deficiency) of revenues over expenditures	38,524	197,594	(10,457)	971	(18,724)	--
OTHER FINANCING SOURCES (USES)						
Transfers in	--	11,220	26,338	--	--	--
Transfers (out)	(39,311)	(208,814)	(15,881)	--	--	--
Total other financing sources (uses)	(39,311)	(197,594)	10,457	--	--	--
Net change in fund balances	(787)	--	--	971	(18,724)	--
Fund balances - beginning	6,791	--	--	31,504	38,451	--
Fund balances - ending	\$ 6,004	\$ --	\$ --	\$ 32,475	\$ 19,727	\$ --

JEFFERSON COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2017

State Grants 010	Flood Hazard Mitigation 023	Waste Coal 039	Assessor's Valuation 056	Farmland Protection 057	Financial Stabilization 058	Concealed Weapons 059
--	--	--	--	--	--	42,800
--	--	--	--	--	--	--
139,544	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	42	--	14	--	77
--	--	--	581,680	--	--	--
--	--	--	--	--	--	--
--	--	--	11,573	733,448	--	12,106
139,544	--	42	593,253	733,462	--	54,983
144,335	--	--	52,640	733,463	--	--
--	--	--	--	--	--	51,313
--	--	--	36,826	--	--	--
144,335	--	--	89,466	733,463	--	51,313
(4,791)	--	42	503,787	(1)	--	3,670
5,821	--	--	--	--	610,013	--
--	--	--	(446,341)	--	--	--
5,821	--	--	(446,341)	--	610,013	--
1,030	--	42	57,446	(1)	610,013	3,670
(1,030)	34,959	8,394	316,486	1	--	62,263
\$ --	\$ 34,959	\$ 8,436	\$ 373,932	\$ --	\$ 610,013	\$ 65,933

JEFFERSON COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2017

Voter's Registration 063	Unemployment Compensation 068	Jury & Witness 071	Law Enf. Forfeiture 073	Pros. Attny Forfeiture 074	Sub-Div Bond Forfeiture 075	Bardane Public Health Center 244	Total Nonmajor Special Revenue Funds
--	--	--	--	--	--	--	69,520
--	--	--	--	--	--	--	2,114
--	--	--	--	--	--	--	139,544
--	--	--	--	--	--	--	--
--	--	--	--	--	--	22,380	34,612
--	--	--	--	--	--	--	322,798
1	--	--	--	9	--	153	384
--	--	--	--	--	--	--	581,680
--	--	--	--	--	--	--	3,435
932	--	--	--	5,416	11,815	--	776,650
933	--	--	--	5,425	11,815	22,533	1,930,737
935	--	--	--	2,786	6,250	52,788	1,062,209
--	--	--	633	--	--	--	103,964
--	--	--	1,200	--	--	--	77,835
935	--	--	1,833	2,786	6,250	52,788	1,244,008
(2)	--	--	(1,833)	2,639	5,565	(30,255)	686,729
--	--	--	--	--	--	--	653,392
--	--	--	--	--	(5,565)	--	(715,912)
--	--	--	--	--	(5,565)	--	(62,520)
(2)	--	--	(1,833)	2,639	--	(30,255)	624,209
2	--	--	10,496	14,456	172	37,984	560,929
\$ --	\$ --	\$ --	\$ 8,663	\$ 17,095	\$ 172	\$ 7,729	\$ 1,185,138