



Jefferson County West Virginia

Comprehensive Annual
Financial Report

Fiscal Year 2018
July 1, 2017 – June 30, 2018

Jefferson County Commission
124 E Washington Street, Charles Town, WV 25414
www.jeffersoncountywv.org

FINANCIAL STATEMENTS OF
JEFFERSON COUNTY, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

JEFFERSON COUNTY, WEST VIRGINIA
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

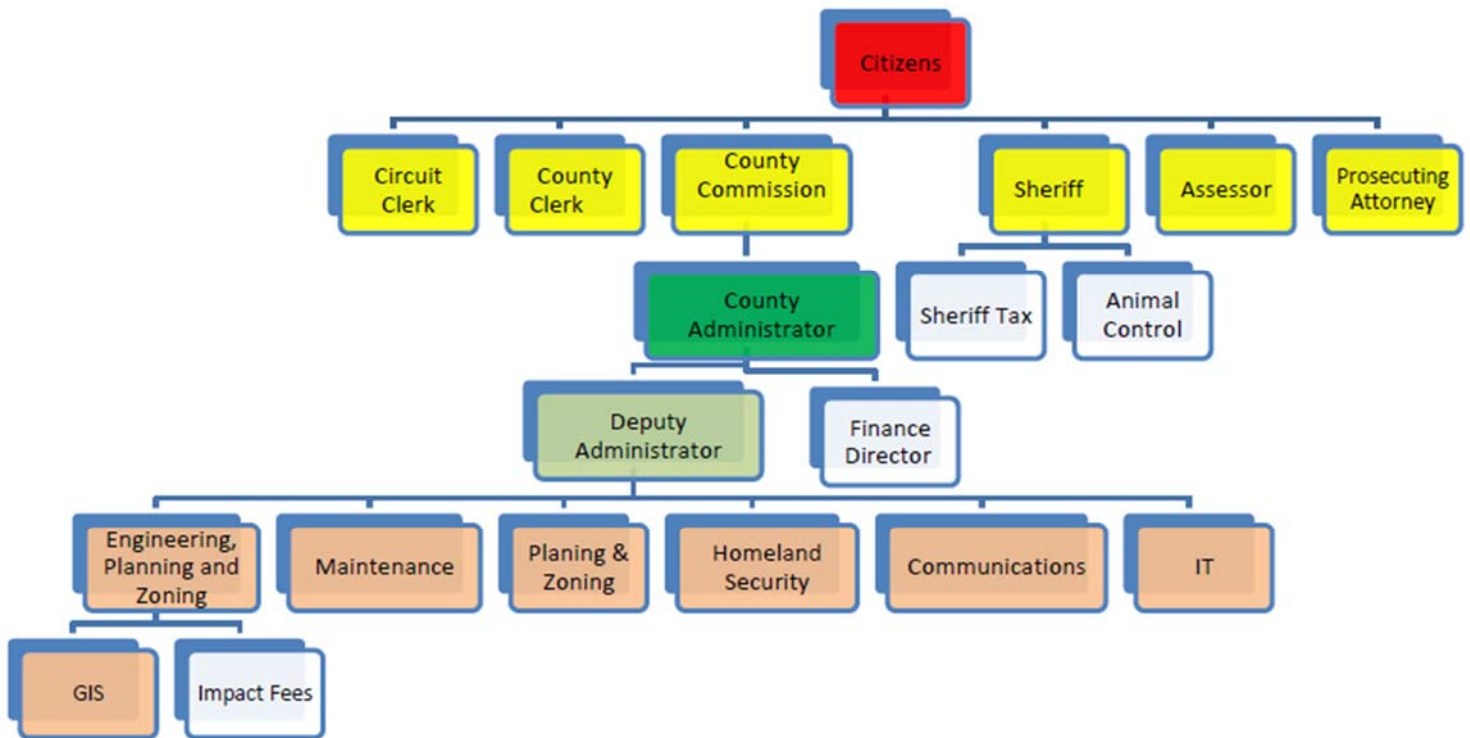
	<u>Page</u>
INTRODUCTORY SECTION	
County Officials	1
County Organizational Chart	2
Schedule of Funds	3
 Financial Section	
Management's Discussion and Analysis	5
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position.	17
Statement of Activities	18
 <i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds.	19
Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Position.	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Coal Severance Tax Fund	24
Statement of Fiduciary Net Position - Fiduciary & Agency Funds.	25
Statement of Changes in Fiduciary Net Position - Fiduciary & Agency Funds.	26
 <i>Notes to the Financial Statements.</i>	27
 Required Supplementary Information	
Schedule of Funding Progress/Schedule of Employer Contributions - Other Post Employment Benefits.	59
Schedules of the County's Proportionate Share of the Net Pension Liability - WV Public Employee's Retirement System & WV Public Deputy Sheriff Retirement System.	60
Schedules of the County's Employer Contributions - WV Public Employee's Retirement System & WV Public Deputy Sheriff Retirement System.	61
Notes to the Required Supplementary Information...	62
 Supplementary Information	
Schedule of Expenditures of Federal Awards	57
Budgetary Comparison Schedule - Assessor's Valuation Fund	59
 <i>Combining and Individual Fund Statements:</i>	
Combining Balance Sheet - Nonmajor Governmental Funds.	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.	71
Statement of Fiduciary Net Position - Agency Funds.	75

INTRODUCTORY SECTION

JEFFERSON COUNTY, WEST VIRGINIA
COUNTY OFFICIALS
For the Fiscal Year Ended June 30, 2018

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
	Caleb Wayne Hudson	01-01-17 / 12-31-22
	Josh Compton	01-01-17 / 12-31-22
Clerk of the County Commission:	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:	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, 2018

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
Ambulance Service Fee
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, 2018

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 2018
July 1, 2017 - June 30, 2018

FINANCIAL SECTION



Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
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, 2018. Additionally, this discussion and analysis is designed to identify changes in the County's financial position (its ability to address the next and subsequent years' challenges), identify any material deviations from the financial plan or approved budget, and identify issues or concerns.

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

Financial Highlights

- The County's assets exceeded its liabilities at the close of the most recent fiscal year by \$29.6 million (*net position*). Of the total net position, \$8.3 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$18.8 million is invested in capital assets net of related debt of \$360,215, and \$2.5 million is restricted for specific purposes at the end of FY2018 (*restricted net position*).
- At the end of the fiscal year, the County had no bonded long-term debt obligations. No new debt was added during the fiscal year. The County's adherence to its amortization schedules for existing debt reduced its debt by \$180,108 in payments during the fiscal year. Additional information on the County's long-term debt activity can be found in Note III. I. of the notes to the financial statements.
- The General Fund, on a current financial resource basis, reported a surplus of revenues over expenditures and other financial sources and uses of \$0.5 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 2018 was the fourth consecutive year that the County approved a 0% property tax revenue increase. In FY 2018, the Class II Property levy rate was \$28.50 cents per \$100 of assessed value compared to \$27.88 cents per \$100 of assessed value in FY2017. Because the assessable base valuation increased by 1.6% or \$55 million (from \$3.3 billion in FY2017 to \$3.4 billion in FY2018), tax revenue increased by \$0.7 million from \$13.1 million in FY2017 to \$13.8 million in FY2018.
- At the end of the current fiscal year, the ending fund balance for the General Fund was \$5.2 million or 22.1% of total General Fund expenditures (excluding transfers to other funds). This represents 2.7 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, 2018
UNAUDITED

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.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements.



Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
UNAUDITED

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 (26) individual governmental funds with four (4) major individual governmental funds. The major governmental funds are: the General; Coal Severance Tax; Capital Outlay; and Impact Fees 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 basic governmental fund financial statements can be found on pages 19 through 22 of this report. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements beginning on page 67 of this report.

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. Budgetary comparison statements can be found on pages 23 and 24 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 25 and 26 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 27 to 58.

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 59 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial condition and position. In the case of the County, assets and deferred outflows of



Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
UNAUDITED

resources exceeded liabilities and deferred inflows of resources by \$29.6 and \$28.2 million at the close of the current and previous fiscal years.

Jefferson County's Net Position

	Governmental Activities	
	2018	2017
Current and other assets	\$ 12,506,858	\$ 11,234,429
Restricted assets	2,463,890	3,753,166
Capital assets	19,206,126	19,704,861
Total assets	<u>34,176,874</u>	<u>34,692,456</u>
 Total deferred outflow of resources	 1,273,366	 2,552,371
 Current long-term liabilities	 1,126,724	 1,279,372
Noncurrent long-term liabilities	3,533,955	7,355,342
Total liabilities	<u>4,660,679</u>	<u>8,634,714</u>
 Total deferred inflow of resources	 1,203,800	 365,584
 Net position:		
Net investment in capital assets, net of related debt	18,845,911	19,134,538
Restricted	2,463,890	3,753,166
Unrestricted	8,275,960	5,356,825
Total net position	<u>\$ 29,585,761</u>	<u>\$ 28,244,529</u>

The County's governmental activities net position increased by \$1.3 million in the current fiscal year. The increase is result of the following: a \$796 thousand increase in cash and cash equivalents; a \$406 thousand increase in accounts receivable for ambulance service fee billings and intergovernmental receivables; and a \$3.7 million decrease in the County's net pension liability; offset by a \$499 thousand decrease in asset investments for building improvements and equipment that resulted from depreciation expense and asset disposals; a \$1.3 million decrease in restricted cash distributed to the board of education for construction of schools; and the remainder is due to changes in deferred outflows and inflows of resources related to pensions.

Net position is divided into three categories – net investment in capital assets, restricted net position and unrestricted net position. The largest portion of the County's net position reflects its investments in capital assets (e.g. land, buildings, vehicles, machinery and equipment) in the amount of \$18.8 million or 63.7%, 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 8.3% or \$2.5 million of total net position. Restricted net position is resources that are subject to external restrictions on how they may be used. The



Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
UNAUDITED

County's total unrestricted net position has a balance of \$8.3 million which represents 28.0% of total net positions. Unrestricted net position is used to meet the County's ongoing obligations to citizens, creditors, and employee pension plans.

The County fully implemented GASB Statement 68, and the result is a total of \$2.5 million in net pension liability to fully fund both of the County's pension plans. This \$2.5 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 \$28.9 million, while total expenses were \$29.3 million.

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

Jefferson County			
Changes in Net Position			
June 30, 2018 and 2017			
	Governmental Activities		
	2018	2017	
Revenues			
Program Revenues:			
Charges for services	\$ 4,504,556	\$ 4,309,472	
Operating grants and contributions	717,800	308,608	
Capital grants and contributions	225,916	63,227	
General Revenues:			
Property taxes	13,848,120	13,036,107	
Income and other taxes	1,926,781	1,735,981	
Miscellaneous	7,707,361	7,492,579	
Total Revenues	28,930,534	26,945,974	
Expenses			
Program Expenses:			
General government	12,078,840	12,167,767	
Public safety	11,950,545	11,341,398	
Health and sanitation	96,603	91,708	
Culture and recreation	1,651,694	1,621,831	
Social services	20,000	20,000	
Capital projects	698,793	115,233	
Education	2,837,728	-	
Total Expenses	29,334,203	25,357,937	
Change in net position	(403,669)	1,588,037	
Net position-Beginning (restated)	29,989,430	28,401,393	
Net position-Ending	\$ 29,585,761	\$ 29,989,430	

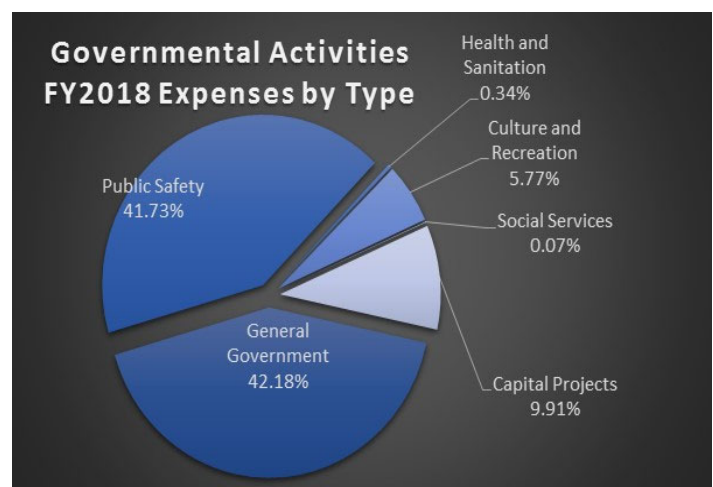
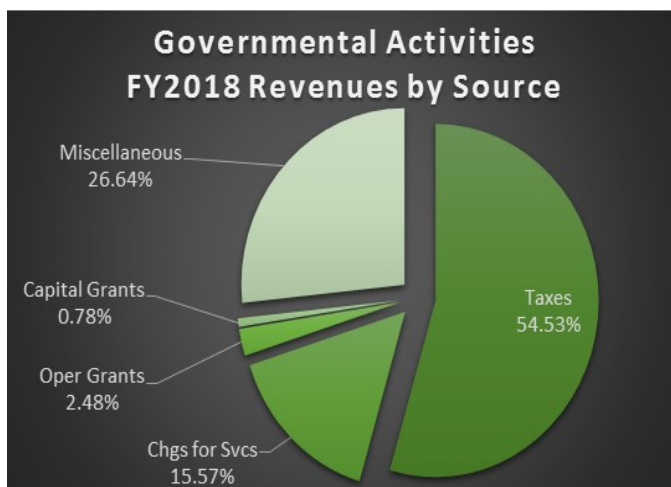


Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
UNAUDITED

The decrease in net position for governmental activities totaled (\$0.4) million and can be largely attributed to the following:

- That increase is made up primarily of revenue increases of \$2.0 million. An increase of \$1.0 million in tax revenue makes up part of that \$2.0 million increase. 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. County offices realized an increase of \$0.6 million in operating and capital grants for funding positions and equipment. The remaining amount of \$0.4 million in revenue increases are due to increases in permitting for new construction and other charges for services.
- Offset by a decrease of (\$0.5) million in capital assets, net of depreciation expense, primarily related to depreciation expense.
- General government expenditures increased by \$4.0 million as a result of the following: \$2.8 million was transferred to the Board of Education for school related capital projects; public safety expenditures increased by \$0.6 million for added positions in law enforcement and emergency services; and capital projects increased by \$0.6 million for vehicle and equipment purchases.

The County provides a variety of services, and the largest expense is for General Government at 42.2% or \$12.7 million for FY18. General Government includes personnel and operating expenditures for departments like the County and Circuit Court Clerks, Assessor, Tax Office, Engineering, Planning, Zoning and Maintenance. Public Safety makes up the next largest component at 41.7% of FY18 total expenditures or \$12.0 million. Public Safety includes personnel and operating expenditures to maintain the County's police department, emergency services, and the 911 communications center.





Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
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 \$13.1 million, a decrease of \$0.3 million from the prior year. Approximately 38.4% of the total ending fund balance (\$13.1 million) constitutes assigned and unassigned fund balance (\$5.1 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 (\$0.1 million and \$4.3 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 (\$3.6 million)
- 3) *Assigned and Unassigned* fund balance represents amounts reserved for tentative management plans that are subject to change or are unreserved (\$3.9 million and \$1.2 million, respectively)

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was \$5.1 million, while total fund balance equals \$5.2 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 21.5% of total General Fund expenditures or over two (2) months of fiscal expenditures.

The fund balance of the General Fund increased by \$0.5 million during the current fiscal year. This is primarily due to an increase in tax revenue of \$0.7 million from \$13.1 million in FY2017 to \$13.8 million in FY2018. Below are some key elements for FY2017:



Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
UNAUDITED

Revenue budgets were under approved or better than expected-

- Property taxes realized in FY2018 were \$0.7 million more than FY2017. The increase is a result of slightly higher than expected assessable base figures for both real estate and personal property taxes that resulted from new construction on existing properties. Additionally, other taxes in FY2018 were \$0.2 million more than FY2017. 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.
- Intergovernmental revenues in FY2018 totaled \$0.6 million, a \$0.4 million increase over FY2017. The increase was a result of public safety grant funding for personnel wages and benefits, vehicles and equipment.

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

- Wages and Benefits totaled \$14.0 million and were \$0.5 million lower than budgeted for in FY2018 (\$14.5 million). Management instituted a strict vacancy management procedure whereby all vacant positions were not immediately refilled and were evaluated for need prior to filling them.
- Fees paid to the regional jail have been trending higher than normal due to the national opioid crisis. Regional jail fees were flat from FY2014 through FY2016 at \$1.2 million annually. That cost increased in FY2017 to \$1.5 million. The County budgeted \$1.3 million for this cost in FY2018, and that figure was revised to \$1.7 million in response to the increasing trend. The actual cost for this expenditure in FY2018 was \$1.6 million which was just under the revised budget of \$1.7 million for FY2018.

The Capital Outlay fund has a total fund balance of \$3.6 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 (\$3.6 million). Included in that \$3.6 million committed balance is a \$2.0 million reserve, 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 or to transfer monies from the Capital Outlay fund to an operating fund, a unanimous approval from the Commissioners is required and has never occurred. Funds expended from the Capital Outlay fund for capital improvement projects require a majority approval of the Commissioners and are typically determined during the annual budget process.



Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
UNAUDITED

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget in fiscal year 2018 is an increase of \$0.7 million in use of fund balance or increases in revenues.

Description	General Fund Increase/ (Decrease)
General government expenditure	\$ 163,971
Public safety expenditure	1,034,253
Health and sanitation expenditure	79,550
Culture and recreation expenditure	163,710
Transfers to other funds	(708,863)
Total	<u>\$ 732,621</u>

The net change reflects \$1.0 million in additions to public safety that resulted from new grant funding for personnel wages and benefits, vehicles and equipment; \$0.4 million in additions for increased hotel occupancy tax disbursements and in-kind rent recordation. Those increases were offset by a decrease of (\$0.9) million in transfers to the financial stabilization fund; and, an additional transfer of \$0.2 million 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.

Capital Asset and Debt Administration

Capital assets. Jefferson County's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$19.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, structures and land improvements, machinery and equipment, vehicles, and construction in progress. The total net decrease in County's investment in capital assets for the current fiscal year was (\$0.5) million. Depreciation expense totaled (\$1.1) million. Land, building and improvements included \$0.5 million for renovations to county offices. Other increases included \$0.3 million in vehicle purchases, and \$0.1 million for license plate readers and 911 communication center recording equipment.

Jefferson County's Capital Assets
Net of Depreciation

	Governmental Activities	
	2018	2017
Land	\$ 896,032	\$ 966,032
Construction in progress	167,266	455,449
Buildings	13,283,621	13,794,674
Structures and improvements	2,309,029	1,955,742
Vehicles	599,403	379,082
Machinery and equipment	1,950,775	2,147,629
Total capital assets	<u>\$ 19,206,126</u>	<u>\$ 19,698,608</u>



Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
UNAUDITED

Additional information on the governmental activities fixed assets can be found in Note III. D. on page 38 in the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the County had \$360,215 in long-term debt outstanding that will be paid for from the capital outlay fund. The County has no bonded long-term debt outstanding. During the fiscal year, the County issued no new notes payable to finance general capital improvement projects. Payments made on that debt totaled (\$180,108). 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. on page 41 of the notes to the financial statements; and a summary of the County's long-term liabilities is listed below:

Jefferson County Commission - Long Term Obligations
June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
Net Pension Liability	\$ 2,492,117	\$ 6,223,474
Net OPEB Liability (non-participating)	126,320	89,724
Accrued Obligations for		
Compensate Balances	735,411	679,798
Notes Payable	360,215	540,323
Total Long-Term Liabilities	\$ 3,714,063	\$ 7,533,319

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 through FY18 to implement a 0% property tax revenue increase has better positioned the County financially for future years and continues to remain a key factor for future revenue planning. Additionally, the County's assessable base decreased from \$4.0 billion in FY2009 to a low of \$3.0 billion in FY2014. The County is beginning to realize assessable base increases due to new construction and modest economic improvement. In FY2018, the County's assessable base was \$3.4 billion.

The FY19 budget continues 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 FY2018, gambling revenue decreased from \$5.9 million to \$3.7 million (37.0%) which is approximately \$2.1 million annually in decreased revenue. Gambling revenue has decreased since FY2012 at an average of (7.4%) per year. The reduction resulted from legislation enacted in nearby Maryland which allowed gambling casinos to open and operate. Gambling revenue is not projected to level out and revenue assumptions for FY2019 and FY2020 will continue to include decreases of (6%) to (7%) or \$140,000-160,000 annually. The FY2019 budget will



Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
UNAUDITED

include a restructuring of the fee charged for emergency ambulance services. The fee structure will be realigned to ensure that the fee being charged for residential and commercial properties accurately reflects the actual usage of ambulance services by those property types.

Due to increases in property tax revenues, in FY2018 employees received a 1.2% cost of living adjustment at a cost of \$190,000. 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 merit increases and cost of living adjustments. FY2019 and future years are anticipated to include 1-3% for increases to employee salaries in the form of merit increases and / or cost of living adjustments. Additionally, medical insurance costs increased by 5% in FY2018 or \$103,000 and are expected to increase annually by 3-6% in future years. In FY2018, the employee portion of medical insurance premiums was increased by an average of 28% to pay for a portion of that year's increase (\$29,000). In prior years, the County absorbed the brunt of medical insurance premium increases.

In response to the national opioid crisis, the County is experiencing increased need for public safety operations personnel. In FY2018, the County included \$276,000 for additional police officers and emergency services personnel wages and benefits. It is anticipated that in FY2019 and future years, that need for additional personnel will continue for those departments, the 911 emergency communications center, and the prosecuting attorney's office.

In FY2018, the world's largest stone wool manufacturer and a world leader in stone wool solutions, Rockwool, broke ground on a manufacturing facility in Jefferson County. It is anticipated that this plant will generate economic growth, residential new construction and entice other businesses to locate in Jefferson County.

Since that ground breaking ceremony, there has been public outcry against the construction of this manufacturing plant. The plant is anticipated to be complete and in production by the second quarter of 2020. Rockwool is expected to invest \$150 million in construction of this plant and will generate approximately 150 positions that will range from production line to management.

The County, along with other local taxing authorities, entered into a ten (10) year Payment In Lieu of Taxes Agreement (PILOT) with Rockwool that will generate \$2.0 million in tax revenue by 2029. At the end of that agreement, the equivalent personal property tax shall be equal to the amount of ad valorem property tax chargeable against the tangible personal property of the company with property appraised at salvage value (5% of its book value).

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.



Jefferson County Commission
Management's Discussion and Analysis
June 30, 2018
UNAUDITED

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, 2018

	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	\$ 10,234,007	\$ 1,012,406	\$ 718,862	\$ 22,010	\$ 3,159,965	\$ 1,215,311	\$ 606,838
Receivables, net of allowance for uncollectibles:							
Taxes	733,683	--	--	--	76,345	--	--
Accounts	501,672	60,519	32,688	--	--	24,032	2,826
Intergovernmental Receivables	672,666	--	--	--	--	--	--
Due from:							
Other governments	222,124	--	--	--	--	--	--
Inventory, at cost	5,573	--	--	--	--	--	--
Prepaid expenses	137,133	78,969	420	--	3,000	49,856	--
Total current assets	<u>12,506,858</u>	<u>1,151,894</u>	<u>751,970</u>	<u>22,010</u>	<u>3,239,310</u>	<u>1,289,199</u>	<u>609,664</u>
Restricted assets:							
Restricted cash	2,463,890	--	34,402	--	--	--	--
Capital assets:							
Nondepreciable:							
Land	896,032	--	6,234,901	1,118,492	--	550,000	688,335
Construction in progress	167,266	--	--	--	--	--	406,663
Depreciable:							
Buildings	19,829,643	--	--	204,233	--	1,366,998	--
Structures and improvements	3,087,853	--	--	--	--	--	--
Vehicles	2,204,277	--	--	--	--	--	37,535
Machinery and equipment	8,220,560	--	38,682	--	1,664	456,229	304,169
Less: accumulated depreciation	(15,199,505)	--	(29,824)	--	--	(679,268)	(110,586)
Intangible assets, net of accumulated depreciation	--	--	3,185	--	--	--	--
Total noncurrent assets	<u>21,670,016</u>	<u>--</u>	<u>6,281,346</u>	<u>1,322,725</u>	<u>1,664</u>	<u>1,693,959</u>	<u>1,326,116</u>
Total assets	<u>34,176,874</u>	<u>1,151,894</u>	<u>7,033,316</u>	<u>1,344,735</u>	<u>3,240,974</u>	<u>2,983,158</u>	<u>1,935,780</u>
DEFERRED OUTFLOWS							
Changes in proportion and differences between employer contributions and proportionate share of contributions	--	--	--	--	--	29,114	--
Employer contributions subsequent to measurement period	1,068,125	--	--	--	--	136,862	--
Difference between expected and actual experience	205,241	--	--	--	--	--	--
Net difference between projected and actual investment earnings on pension plan investments	--	--	--	--	--	130,623	--
Total deferred outflows of resources	<u>1,273,366</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>296,599</u>	<u>--</u>
LIABILITIES							
Current liabilities payable from current assets:							
Accounts payable	669,111	33,644	2,434	--	79	91,553	48,489
Refunds payable	51,005	--	--	--	--	--	--
Payroll payable	221,638	--	--	--	--	103,689	12,968
Notes payables	180,108	--	--	--	--	--	--
Intergovernmental payable	4,862	--	--	--	--	--	--
Current liabilities payable from restricted assets:							
restricted assets:							
Notes payable	--	--	143,595	--	--	32,689	--
Interest payable	--	--	442,415	--	--	1,161	--
Noncurrent liabilities:							
Notes payable - due in more than one year	180,107	--	4,506,266	--	--	1,054,959	--
OPEB payable (non-participating)	126,320	227,809	--	--	--	--	86,844
Net pension liability	2,492,117	--	--	--	--	303,004	--
Compensated absences payable	735,411	--	--	--	--	111,397	--
Total liabilities	<u>4,660,679</u>	<u>261,453</u>	<u>5,094,710</u>	<u>--</u>	<u>79</u>	<u>1,698,452</u>	<u>148,301</u>
DEFERRED INFLOWS							
Difference between expected and actual experience	236,578	--	--	--	--	7,531	--
Changes in assumptions	213,530	--	--	--	--	--	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	46,277	--	--	--	--	--	--
Net difference between projected and actual investment earnings on pension plan investments	707,415	--	--	--	--	--	--
Total deferred inflows of resources	<u>1,203,800</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,531</u>	<u>--</u>
NET POSITION							
Net investment in capital assets, net of related debt	18,845,911	--	8,858	1,322,725	--	606,311	716,420
Restricted for:							
Community development projects	--	--	34,402	--	--	--	--
Other purposes	2,463,890	--	--	--	3,240,895	857,524	--
Unrestricted	<u>8,275,960</u>	<u>890,441</u>	<u>1,895,346</u>	<u>22,010</u>	<u>--</u>	<u>109,939</u>	<u>1,071,059</u>
Total net position	<u>\$ 29,585,761</u>	<u>\$ 890,441</u>	<u>\$ 1,938,606</u>	<u>\$ 1,344,735</u>	<u>\$ 3,240,895</u>	<u>\$ 1,573,774</u>	<u>\$ 1,787,479</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, 2018

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	\$ 12,078,840	\$ 1,453,752	\$ 247,694	\$ --	\$ (10,377,394)	\$ (10,377,394)						
Public safety	11,950,545	3,050,804	393,917	175,618	(8,330,206)	(8,330,206)						
Health and sanitation	96,603	--	--	--	(96,603)	(96,603)						
Culture and recreation	1,651,694	--	--	50,298	(1,601,396)	(1,601,396)						
Social services	20,000	--	76,189	--	56,189	56,189						
Capital projects	698,793	--	--	--	(698,793)	(698,793)						
Education	2,837,728	--	--	--	(2,837,728)	(2,837,728)						
Total governmental activities	29,334,203	4,504,556	717,800	225,916	(23,885,931)	(23,885,931)						
Total primary government	\$ 29,334,203	\$ 4,504,556	\$ 717,800	\$ 225,916	(23,885,931)	(23,885,931)						
Component units:												
Board of Health	915,469	377,590	468,939	--	--	--	\$ (68,940)	\$ --	\$ --	\$ --	\$ --	\$ --
Economic Development	635,787	--	476,558	--	--	--	--	(159,229)	--	--	--	--
Historic Landmark	1,031,590	--	42,551	996,876	--	--	--	--	7,837	--	--	--
Farmland Protection	821,628	--	845,184	--	--	--	--	--	--	23,556	--	--
Emergency Services Agency	2,904,503	708,168	2,200,973	--	--	--	--	--	--	--	4,638	--
Parks and Recreation	1,377,999	640,407	636,873	--	--	--	--	--	--	--	--	(100,719)
Total component units	\$ 7,686,976	\$ 1,726,165	\$ 4,671,078	\$ 996,876	\$ --	\$ --	\$ (68,940)	\$ (159,229)	\$ 7,837	\$ 23,556	\$ 4,638	\$ (100,719)
General revenues:												
Ad valorem property taxes					\$ 13,848,120	\$ 13,848,120	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Alcoholic beverages tax					17,243	17,243	--	--	--	--	--	--
Hotel occupancy tax					738,360	738,360	--	--	--	--	--	--
Gas and oil severance tax					62,174	62,174	--	--	--	--	--	--
Other taxes					998,664	998,664	--	--	--	802,444	--	--
Coal severance tax					110,340	110,340	--	--	--	--	--	--
Licenses and permits					1,934,241	1,934,241	--	--	--	--	--	--
Interest and investment earnings					105,175	105,175	4,129	6,072	--	20,944	7,023	3,759
Reimbursement					850,594	850,594	--	--	--	--	--	--
Miscellaneous					4,817,351	4,817,351	3,326	26,110	2,718	--	11,703	3,949
Total general revenues					23,482,262	23,482,262	7,455	32,182	2,718	823,388	18,726	7,708
Change in net position					(403,669)	(403,669)	(61,485)	(127,047)	10,555	846,944	23,364	(93,011)
Net position - beginning					29,989,430	29,989,430	951,926	2,065,653	1,334,180	2,393,951	1,550,410	1,880,490
Net position - ending					\$ 29,585,761	\$ 29,585,761	\$ 890,441	\$ 1,938,606	\$ 1,344,735	\$ 3,240,895	\$ 1,573,774	\$ 1,787,479

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

JEFFERSON COUNTY, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS (Unaudited)
June 30, 2018

	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	\$ 4,708,417	\$ 186,593	\$ 4,063,853	\$ --	\$ 1,275,144	\$ 10,234,007
Receivables, net of allowance for uncollectibles:						
Taxes	733,683	--	--	--	--	733,683
Accounts	149,248	--	--	--	352,424	501,672
Intergovernmental receivable	534,744	--	--	--	137,922	672,666
Due from:						
Other funds	104,258	--	--	--	--	104,258
Other governments	--	--	--	--	222,124	222,124
Inventory, at cost	5,573	--	--	--	--	5,573
Prepaid expenses	137,028	--	--	--	105	137,133
Restricted cash	--	--	--	2,463,890	--	2,463,890
Total assets	<u>6,372,951</u>	<u>186,593</u>	<u>4,063,853</u>	<u>2,463,890</u>	<u>1,987,719</u>	<u>15,075,006</u>
Deferred Outflows						
Total deferred outflows of resources	--	--	--	--	--	--
Total assets and deferred outflows of resources	<u>\$ 6,372,951</u>	<u>\$ 186,593</u>	<u>\$ 4,063,853</u>	<u>\$ 2,463,890</u>	<u>\$ 1,987,719</u>	<u>\$ 15,075,006</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities						
Accounts payable	393,334	27,272	89,422	--	159,083	669,111
Misc payable	51,005	--	--	--	--	51,005
Payroll payable	221,638	--	--	--	--	221,638
Contracts Payable	--	--	360,215	--	--	360,215
Intergovernmental payable	--	--	--	--	4,862	4,862
Due to:						
Other funds	--	--	--	--	104,258	104,258
Total liabilities	<u>665,977</u>	<u>27,272</u>	<u>449,637</u>	<u>--</u>	<u>268,203</u>	<u>1,411,089</u>
Deferred Inflows						
Deferred revenue - taxes	<u>520,827</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>520,827</u>
Total deferred inflows of resources	<u>520,827</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>520,827</u>
Total liabilities and deferred inflows of resources	<u>1,186,804</u>	<u>27,272</u>	<u>449,637</u>	<u>--</u>	<u>268,203</u>	<u>1,931,916</u>
Fund balances						
Nonspendable	142,601	--	--	--	105	142,706
Restricted	--	159,321	--	2,463,890	1,719,411	4,342,622
Committed	--	--	3,614,216	--	--	3,614,216
Assigned	3,878,803	--	--	--	--	3,878,803
Unassigned	1,164,743	--	--	--	--	1,164,743
Total fund balances	<u>5,186,147</u>	<u>159,321</u>	<u>3,614,216</u>	<u>2,463,890</u>	<u>1,719,516</u>	<u>13,143,090</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 6,372,951</u>	<u>\$ 186,593</u>	<u>\$ 4,063,853</u>	<u>\$ 2,463,890</u>	<u>\$ 1,987,719</u>	<u>\$ 15,075,006</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, 2018

Total fund balances on the governmental fund's balance sheet	\$ 13,143,090
--	---------------

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)	19,206,126
--	------------

Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. (Note III - B)	520,827
---	---------

Deferred (inflows) and outflows related to pension activity are not required to be reported in the funds but are required to be reported at the government-wide level (Note V):

Deferred outflow (inflow)- Changes in employer portion and differences between contributions and proportionate share of pension expense	\$ (46,277)
---	--------------

Deferred outflow - Employer contributions to pension plan after measurement date	1,068,125
--	-----------

Deferred outflow (inflow) - Net differences between projected and actual investment earnings	(707,415)
--	------------

Deferred outflow (inflow) - Differences between expected and actual experience	(31,337)
--	-----------

Deferred outflow (inflow) - Differences in assumptions	<u>(213,530)</u>	69,566
--	-------------------	--------

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 - E), and Net Pension Liability (Note V)	<u>(3,353,848)</u>
---	---------------------

Net position of governmental activities	<u>\$ 29,585,761</u>
---	----------------------

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, 2018

	General	Coal Severance Tax	County Capital Outlay	Impact Fees	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem property taxes	\$ 13,839,783	\$ --	\$ --	\$ --	\$ --	\$ 13,839,783
Alcoholic beverages tax	17,243	--	--	--	--	17,243
Hotel occupancy tax	738,360	--	--	--	--	738,360
Gas and oil severance tax	62,174	--	--	--	--	62,174
Other taxes	981,071	--	--	--	--	981,071
Coal severance tax	--	110,340	--	--	--	110,340
Licenses and permits	275,866	--	--	1,582,253	76,122	1,934,241
Intergovernmental:						
Federal	624,424	--	--	--	--	624,424
State	--	--	--	--	261,698	261,698
Local	20,000	--	--	--	--	20,000
Charges for services	3,109,632	--	--	--	917,639	4,027,271
Fines and forfeits	112,557	--	--	--	364,728	477,285
Interest and investment earnings	31,436	1,036	17,112	14,699	666	64,949
Reimbursements	230,065	--	--	--	620,529	850,594
Payments in lieu of taxes	17,593	--	--	--	--	17,593
Contributions and donations	36,430	--	--	--	1,164	37,594
Miscellaneous	3,798,929	--	--	--	1,018,422	4,817,351
Total revenues	23,895,563	111,376	17,112	1,596,952	3,260,968	28,881,971
EXPENDITURES						
Current:						
General government	10,826,331	33,466	34	--	1,272,882	12,132,713
Public safety	10,863,781	17,000	61,000	20,000	966,123	11,927,904
Education	--	--	--	2,837,728	--	2,837,728
Health and sanitation	79,550	17,053	--	--	--	96,603
Culture and recreation	1,478,501	--	--	28,500	50,298	1,557,299
Social services	20,000	--	--	--	--	20,000
Capital outlay	175,618	--	425,984	--	97,191	698,793
Total expenditures	23,443,781	67,519	487,018	2,886,228	2,386,494	29,271,040
Excess (deficiency) of revenues over expenditures	451,782	43,857	(469,906)	(1,289,276)	874,474	(389,069)
OTHER FINANCING SOURCES (USES)						
Transfers in	985,241	--	971,200	--	--	1,956,441
Transfers (out)	(971,200)	(70,000)	--	--	(915,241)	(1,956,441)
Defeasance of debt	40,226	--	--	--	--	40,226
Proceeds from the sale of assets	10,726	--	--	--	--	10,726
Total other financing sources (uses)	64,993	(70,000)	971,200	--	(915,241)	50,952
Net change in fund balances	516,775	(26,143)	501,294	(1,289,276)	(40,767)	(338,117)
Fund balances - beginning	4,669,372	185,464	3,112,922	3,753,166	1,760,283	13,481,207
Fund balances - ending	\$ 5,186,147	\$ 159,321	\$ 3,614,216	\$ 2,463,890	\$ 1,719,516	\$ 13,143,090

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, 2018

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

Net change in fund balances - total governmental funds	\$	(338,117)
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)		719,920
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net assets. (Note III-D)		(297,117)
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)		(1,099,703)
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:	\$	512,490
Current year deferred revenues:		<u>520,827</u>
		8,337
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	\$	1,068,125
Amount of pension expenses recognized at government-wide level		<u>(557,323)</u>
		510,802
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. Increase in Compensated Absences plus OPEB.		<u>92,209</u>
Change in net position of governmental activities	\$	<u>(403,669)</u>

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, 2018

	Budgeted Amounts		Actual Modified	Actual Amounts	Variance with
	Original	Final	Accrual Basis	Budget Basis	Final Budget Positive (Negative)
REVENUES					
Taxes:					
Ad valorem property taxes	\$ 14,039,400	14,039,400	\$ 13,839,783	\$ 13,839,783	\$ (199,617)
Alcoholic beverages tax	37,000	37,000	17,243	17,243	(19,757)
Hotel occupancy tax	695,787	695,787	738,360	738,360	42,573
Gas and oil severance tax	99,000	99,000	62,174	62,174	(36,826)
Other taxes	781,068	781,068	981,071	981,071	200,003
Licenses and permits	245,195	245,195	275,866	275,866	30,671
Intergovernmental:					
Federal	220,000	690,660	624,424	624,424	(66,236)
Local	--	--	20,000	20,000	20,000
Charges for services	3,819,900	4,204,830	3,109,632	3,109,632	(1,095,198)
Fines and forfeitures	98,000	98,000	112,557	112,557	14,557
Interest and investment earnings	31,770	31,945	31,436	31,436	(509)
Reimbursements	279,200	279,200	230,065	230,065	(49,135)
Payments in lieu of taxes	16,000	16,000	17,593	17,593	1,593
Contributions and donations	--	--	36,430	36,430	36,430
Miscellaneous	3,666,700	3,773,062	3,798,929	3,798,929	25,867
Total revenues	24,029,020	24,991,147	23,895,563	23,895,563	(1,095,584)
EXPENDITURES					
Current:					
General government	10,819,035	11,167,902	10,826,331	10,826,331	341,571
Public safety	11,294,740	12,328,993	10,863,781	10,863,781	1,465,212
Health and sanitation	15,600	95,150	79,550	79,550	15,600
Culture and recreation	1,274,175	1,437,885	1,478,501	1,478,501	(40,616)
Social services	20,000	20,000	20,000	20,000	--
Capital outlay	163,400	163,400	175,618	175,618	(12,218)
Total expenditures	23,586,950	25,213,330	23,443,781	23,443,781	1,769,549
Excess (deficiency) of revenues over expenditures	442,070	(222,183)	451,782	451,782	673,965
OTHER FINANCING SOURCES (USES)					
Transfers in	720,273	857,476	985,241	985,241	127,765
Transfers (out)	(747,200)	(971,200)	(971,200)	(971,200)	--
Defeasance of debt	--	40,227	40,226	40,226	(1)
Proceeds from the sale of assets	--	--	10,726	10,726	10,726
Total other financing sources (uses)	(26,927)	(73,497)	64,993	64,993	138,490
Net change in fund balance	415,143	(295,680)	516,775	516,775	812,455
Fund balance - beginning (restated Note III J)	5,005,763	4,598,827	4,669,372	4,669,372	70,545
Fund balance - ending	\$ 5,420,906	\$ 4,303,147	\$ 5,186,147	\$ 5,186,147	\$ 883,000

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, 2018

	Budgeted Amounts		Actual	Actual Amounts	Variance with
	Original	Final	Modified	Budget	Final Budget
			Accrual Basis	Basis	Positive
					(Negative)
REVENUES					
Taxes:					
Coal severance tax	\$ 86,000	\$ 86,000	\$ 110,340	\$ 110,340	\$ 24,340
Interest and investment earnings	730	730	1,036	1,036	306
Total revenues	86,730	86,730	111,376	111,376	24,646
EXPENDITURES					
Current:					
General government	251,407	152,522	33,466	33,466	119,056
Public safety	--	17,000	17,000	17,000	--
Health and sanitation	15,000	15,000	17,053	17,053	(2,053)
Total expenditures	266,407	184,522	67,519	67,519	117,003
Excess (deficiency) of revenues over expenditures	(179,677)	(97,792)	43,857	43,857	141,649
OTHER FINANCING SOURCES (USES)					
Transfers (out)	--	(70,000)	(70,000)	(70,000)	--
Total other financing					
Total other financing sources (uses)	--	(70,000)	(70,000)	(70,000)	--
Net change in fund balance	(179,677)	(167,792)	(26,143)	(26,143)	141,649
Fund balance - beginning	179,677	167,792	185,464	185,464	17,672
Fund balance - ending	\$ --	\$ --	\$ 159,321	\$ 159,321	\$ 159,321

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, 2018

	Pension 457(b) Trust Fund	Agency Funds
ASSETS		
Non-pooled cash	\$ --	\$ 1,479,546
Investments, at fair value	558,374	--
Total cash	<u>558,374</u>	<u>1,479,546</u>
Receivables, net of allowance for uncollectibles:		
Taxes	--	2,464,024
Total receivables	<u>--</u>	<u>2,464,024</u>
Total assets	<u>558,374</u>	<u>3,943,570</u>
DEFERRED OUTFLOWS		
Total deferred outflows of resources	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 558,374</u>	<u>\$ 3,943,570</u>
LIABILITIES		
Due to: other governments	<u>--</u>	<u>3,943,570</u>
Total liabilities	<u>--</u>	<u>3,943,570</u>
DEFERRED INFLOWS		
Total deferred inflows of resources	<u>--</u>	<u>--</u>
Total liabilities and deferred inflows of resources	<u>\$ --</u>	<u>\$ 3,943,570</u>
NET POSITION		
Restricted for pension / other benefits	<u>\$ 558,374</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, 2018

	<u>Pension 457(b) Trust Fund</u>	<u>Agency Funds</u>
ADDITIONS:		
Contributions - employees	\$ 22,074	\$ - -
Net investment income	<u>43,078</u>	<u>- -</u>
Total Additions	<u>65,152</u>	<u>- -</u>
DEDUCTIONS:		
Withdrawals / transfers out	5,706	- -
Service charges	<u>- -</u>	<u>- -</u>
Total Deductions	<u>5,706</u>	<u>- -</u>
Change in net position	<u>59,446</u>	<u>- -</u>
Net position - beginning	498,928	- -
Net position - ending	<u>\$ 558,374</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, 2018
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 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 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 and are as follows:

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
For the Fiscal Year Ended June 30, 2018
UNAUDITED

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. The Jefferson County Historic Landmarks Commission is governed by a five member board appointed by the County Commission. The County provides financial support to the Historic Landmarks 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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Additionally, the government reports 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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

Trade and property tax receivables are shown net of an allowance for uncollectibles. 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 1; and, 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%). Taxes that 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 the taxes become delinquent until the date the taxes 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); and, 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 rate not to exceed statutory limitations, provided at least sixty percent (60%) 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	\$ -	\$ 14.25
Class II	2,184,710,420	28.50
Class III	942,520,834	57.00
Class IV	387,012,500	57.00

3. Inventories and Prepaid Items

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

4. Restricted Assets

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

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

5. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and estimated to have a useful life in excess of one (1) 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:

<u>Asset</u>	<u>Straight-line Useful Life</u>	<u>Value for Inventory Purposes</u>	<u>Capitalize/ Depreciate</u>
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*.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. 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 three (3) items that qualify for reporting in this category; one which arises only under the modified accrual basis of accounting is *unavailable revenue* for property taxes; and, the *deferred outflows* and *deferred inflows* from pension activities reported in the government-wide Statement of Net Position.

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. Deferred inflows and outflows from pension activities reflect changes in assumptions, differences between actual and expected experience, differences between actual and projected earnings on investments, employer contributions to pension plan after the measurement date, and changes in the employer portion and differences between contributions and the proportionate share of pension expense. 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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and prior fiscal year, the governmental funds reported \$0 and \$23,670 in unearned revenue respectively.

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 assets. Net position is reported as restricted when there are limitations imposed on their use either

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

12. Pensions

For purposes of measuring the net pension liability and deferred outflows / inflows of the resources related to pensions, and pension expense, information about the fiduciary net position of Jefferson County's Public Employee Retirement System (PERS) and Deputy Sheriff's Retirement System (DSRS) and additions to / deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the PERS and DSRS. 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.

13. Postemployment Benefits Other Than Pensions (OPEB)

For the purposes of measuring the net OPEB liability and deferred outflows / inflows of the resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Jefferson County Postretirement Health Plan (JCPHP) and additions to / deductions from the JCPHP fiduciary net position have been determined on the same basis as they are reported by the JCPHP. JCPHP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Changes in Accounting Principle

Effective July 1, 2017, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of the requirements of these statements is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense / expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

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
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017
UNAUDITED

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

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

Prior to March 2 of each year, the various elected officials submit to the County Commission proposed requests for their respective offices for the fiscal year commencing on 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 commission and then submission to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statements reflect only such approved amounts. The governing body made the following material supplementary budgetary appropriations throughout the year.

Description	General Fund Increase/ (Decrease)	Coal Severance Increase/ (Decrease)
General government expenditure	\$ 163,971	\$ (28,885)
Public safety expenditure	1,034,253	17,000
Health and sanitation expenditure	79,550	- -
Culture and recreation expenditure	163,710	- -
Transfers to other funds	(708,863)	- -

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 \$ 15,764,011. The bank balance was collateralized by federal depository insurance or with securities held by the pledging financial institution's trust department or agent in the government's name.

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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

III. DETAILED NOTES ON ALL FUNDS (continued)

Cash and cash equivalents - Governmental Funds	\$ 10,234,007
Cash and cash equivalents-restricted - Impact Fees	2,463,890
Cash and cash equivalents-restricted - Agency Fund	1,479,546
Total cash and cash equivalents	<u>\$ 14,177,443</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	Ambulance Service Fee	Animal Control	Farmland Protection	Home Detention	Assessor's Valuation	State Grant Fund	Total
Receivables:								
Taxes	\$ 980,488	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 980,488
Accounts	149,248	553,710	--	--	--	--	--	702,958
Intergovernmental	<u>534,744</u>	<u>--</u>	<u>565</u>	<u>76,342</u>	<u>787</u>	<u>2,040</u>	<u>58,188</u>	<u>672,666</u>
Gross Receivables	<u>1,664,480</u>	<u>553,710</u>	<u>565</u>	<u>76,342</u>	<u>787</u>	<u>2,040</u>	<u>58,188</u>	<u>2,356,112</u>
Less: Allowance for Uncollectible	<u>(246,805)</u>	<u>(201,286)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(448,091)</u>
Net Total Receivables	<u>\$ 1,417,675</u>	<u>\$ 352,424</u>	<u>\$ 565</u>	<u>\$ 76,342</u>	<u>\$ 787</u>	<u>\$ 2,040</u>	<u>\$ 58,188</u>	<u>\$ 1,908,021</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	Unavailable
Delinquent property taxes receivable	\$ <u>520,827</u>
Total unavailable/unearned revenue for governmental funds	\$ <u>520,827</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 purchased. At June 30, 2018, prepaid assets in the General Fund and the Assessor's Valuation Fund totaled \$137,028 and \$105, respectively.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

III. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

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

	Primary Government				
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 966,032	\$ - -	\$ (70,000)	\$ - -	\$ 896,032
Construction in progress	455,449	191,891	- -	(480,074)	167,266
Total capital assets not being depreciated	1,421,481	191,891	(70,000)	(480,074)	1,063,298
Capital assets being depreciated:					
Buildings and improvements	19,829,643	- -	- -	- -	19,829,643
Structures and improvements	2,596,550	11,229	- -	480,074	3,087,853
Machinery and equipment	8,082,560	138,000	- -	- -	8,220,560
Vehicles	2,069,923	354,175	(219,821)	- -	2,204,277
Less: Total accumulated depreciation	(14,301,549)	(1,099,703)	201,747	- -	(15,199,505)
Total capital assets being depreciated, net	18,277,127	(596,299)	(18,074)	480,074	18,142,828
Governmental activities capital assets, net	\$ 19,698,608	\$ (404,408)	\$ (88,074)	\$ - -	\$ 19,206,126

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

Governmental activities:	
General government	\$ 477,334
Public safety	527,974
Culture and recreation	94,395
Total depreciation expense-governmental activities	\$ 1,099,703

Construction in Progress

The government has four (4) active construction projects as of the fiscal year ended June 30, 2018.

Project	Funding	Expenditures to-Date
Financial system replacement	Capital Outlay Fund	\$ 59,373
Courthouse window repairs	Capital Outlay Fund	52,200
Fire escape repairs	Capital Outlay Fund	36,445
Wastewater treatment plant decommission	Capital Outlay Fund	19,248
Total construction in progress		\$ 167,266

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

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>Interfund Payable to General Fund</u>
Jury and Witness	\$ 34,187
Ambulance Service Fee	70,071
Total due to/from other funds	<u>\$ 104,258</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 2018. The temporary advance will then be reversed.

Interfund transfers:

<u>Transfers out:</u>	<u>Transfers in:</u>		
	<u>General County</u>	<u>Capital Outlay</u>	<u>Total</u>
General Fund	\$ - -	\$ 971,200	\$ 971,200
State Grant Fund	5,821	- -	5,821
Coal Severance Fund	70,000	- -	70,000
Magistrate Court	37,650	- -	37,650
Assessor Valuation	485,329	- -	485,329
Dog	41,943	- -	41,943
Gen School	266,698	- -	266,698
Bardane Fund	7,729	- -	7,729
Ambulance Service Fee	70,071	- -	70,071
Total transfers out	<u>\$ 985,241</u>	<u>\$ 971,200</u>	<u>\$ 1,956,441</u>

The transfer of \$971,200 from the General fund to the Capital Outlay fund represents the General fund contribution toward the respective fund balances for future capital purchases. The transfer of \$70,000 from the Coal Severance fund to the General fund represents funding for facility and grounds repairs and maintenance.

The transfers from General School to General fund totaling \$266,698 represent operating support from jail fees. The transfers of \$5,821, \$37,650, \$7,729, and \$41,943 from the State Grant fund, Magistrate Court fund, Bardane fund, and Dog & Kennel fund, respectively, to the General fund represent operating transfers. The transfer of \$485,329 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 \$70,071 from the Ambulance Service Fee fund to General County represents wages and benefits for staff, and other operating expenditures related to billing of the Jefferson County Ambulance Service Fee.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

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:

	<u>General Fund</u>	<u>Coal Severance Fund</u>	<u>County Capital Outlay</u>	<u>County Impact Fees</u>	<u>Non-major Funds</u>	<u>Total</u>
Nonspendable:						
Inventory	\$ 5,573	\$ --	\$ --	\$ --	\$ --	\$ 5,573
Prepaid items	137,028	--	--	--	105	137,133
Long-term debt	--	--	360,215	--	--	360,215
Restricted:						
General government	--	127,321	--	--	1,105,722	1,233,043
Public safety	--	17,000	--	135,997	613,689	766,686
Culture and recreation	--	--	--	231,794	--	231,794
Health and sanitation	--	15,000	--	--	--	15,000
School	--	--	--	2,096,099	--	2,096,099
Committed:						
General government	--	--	--	--	--	--
Capital projects	--	--	3,254,001	--	--	3,254,001
Assigned:						
General government	1,737,300	--	--	--	--	1,737,300
Public safety	1,917,900	--	--	--	--	1,917,900
Culture and recreation	223,603	--	--	--	--	223,603
Unassigned:	<u>1,164,743</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,164,743</u>
Total fund balances	<u>\$ 5,186,147</u>	<u>\$ 159,321</u>	<u>\$ 3,614,216</u>	<u>\$ 2,463,890</u>	<u>\$ 1,719,516</u>	<u>\$ 13,143,090</u>

Rainy Day Reserve Policy

The County has adopted a fund balance policy which states that the County will maintain a fund balance in the General fund 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.

G. Leases

Operating Leases

The government had no operating lease for this fiscal year; and, no future minimum lease payments are due.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes Payable:								
General purpose	09/01/2016	03/31/2020	0%	\$ 540,323	\$ - -	\$ (180,108)	\$ 360,215	\$ 180,108
Other Obligations:								
Net OPEB obligation				89,724	\$ 113,042	\$ (76,446)	\$ 126,320	\$ - -
Net pension liability				6,223,474	1,573	(3,732,930)	2,492,117	- -
Compensated absences				679,798	826,510	(770,897)	735,411	- -
Governmental activities								
Long-term liabilities				\$ 7,533,319	\$ 941,125	\$ (4,760,381)	\$ 3,714,063	\$ 180,108

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

During the fiscal year, the County repaid \$180,108 in notes payable originated in 2016 to finance general capital improvement projects. The debt is 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 1985A Single Family Mortgage revenue bond issue and it was fully defeased and paid in full. The County received \$40,226 for its' prorata share of the excess funds and this is shown as an Other Financing Source of funding.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

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	\$ 2,463,890
Pension 457(b) Trust Fund	558,374
Agency funds	<u>1,479,546</u>
Total restricted assets	<u>\$ 4,501,810</u>

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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

IV. OTHER INFORMATION (continued)

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*.

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 2018, 2017, and 2016 of \$36,596, \$36,529, and \$27,405 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 2018 and 2017, total premiums paid for retiree medical benefits were \$73,512 and \$74,320 respectively. Employees and retirees eligible to participate in the OPEB plan consisted of the following at May 31, 2018, the date used for data provided in the most recent actuarial valuation dated June 5, 2018:

Actives Fully Eligible to Retire	9
Actives Not Yet Fully Eligible to Retire	8
Retirees	24
Total Participants	<u>41</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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

IV. OTHER INFORMATION (continued)

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

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

Funding Policy. The County is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The ARC consisted of the normal cost of \$21,098, and the amortization of unfunded accrued liability of \$91,944. For fiscal years 2018 and 2017, the county contributed \$73,512 and \$74,320 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, 2017 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, 2018.

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

Annual Required Contribution	\$ 113,042
Interest on Net OPEB Obligation	(2,934)
Adjustment to Annual Required Contribution	-
Annual OPEB Cost	<u>110,108</u>
Employer Contributions Made	<u>(73,512)</u>
Increase in Net OPEB Obligation	36,596
Net OPEB Obligation, Beginning of Year	<u>89,724</u>
Net OPEB Obligation, End of Year	<u>\$ 126,320</u>

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

IV. OTHER INFORMATION (continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last four (4) fiscal years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/18	\$ 110,108	\$ 73,512	67%	\$ 126,320
6/30/17	\$ 110,849	\$ 74,320	67%	\$ 89,724
6/30/16	\$ 111,911	\$ 84,506	76%	\$ 53,195
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, 2017 and covers the valuation for the plan years beginning July 1, 2017 and July 1, 2018.

The funded status of the plan as of July 1, 2017 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 Applicable	Not Applicable
July 1, 2015	\$ -	\$ 1,477,030	\$ 1,477,030	0%	Not Applicable	Not Applicable
July 1, 2016	\$ -	\$ 1,477,030	\$ 1,477,030	0%	Not Applicable	Not Applicable
July 1, 2017	\$ -	\$ 1,733,472	\$ 1,733,472	0%	Not Applicable	Not Applicable

Actuarial valuations for Jefferson County of its Postretirement Health Plan using the Alternative Measurement Method as described in Government Accounting Standard No. 75 ("GASB 75"). The primary purpose of the valuation is to determine the obligations and cost for Fiscal Year 2018. 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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

IV. OTHER INFORMATION (continued)

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

Actuarial Cost Method – Entry Age Normal (Alternative Measurement Method)

Asset Valuation Method - N/A

Interest Assumptions - 3.27% discount rate, 3.50% salary rate increase, and 3.00% inflation rate

Mortality - RP-2014 Combined Annuitant Mortality Table for males and females

Turnover - Age-based turnover rates developed based on probability of remaining employed until assumed retirement age

Retirement Age - Average retirement age 62

Trend Rates – Health care premiums & retiree contributions are assumed to increase annually at 4.0% for all years

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

Marital Status - 70% 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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

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
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 11.0%, 12.0%, and 13.5% of covered payroll for the years ending June 30, 2018, 2017, and 2016 respectively.

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

At fiscal year end, the County reported the following liabilities for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 reported the following proportions and increase / (decrease) from its proportion measured as of June 30, 2016:

	PERS
Amount for proportionate share of net pension liability	\$ 2,369,688
Percentage for proportionate share of net pension liability	0.547925 %
Increase / (decrease) % from prior proportion measured	(0.007865) %

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

For this fiscal year, the County recognized the following pension expenses:

Proportionate share of pension expense	\$ 487,867
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	13,613
Total pension expense	<u>\$ 501,480</u>

The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (574,992)
Changes in assumptions	-	(122,675)
Changes in proportion and differences between County contributions and proportionate share of contributions	60,757	(66,238)
Differences between projected and actual experience	210,474	(5,233)
County contributions subsequent to the measurement date	<u>838,372</u>	<u>-</u>
Total	<u>\$ 1,109,603</u>	<u>\$ (769,138)</u>

The amount 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, 2019.

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:

2019	\$ (230,365)
2020	240,893
2021	(15,319)
2022	<u>(493,111)</u>
Total	<u>\$ (497,902)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2017 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.

**JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED**

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Amortization Method - Level-dollar amount, fixed period

Amortization Period - through FY 2035

Projected Salary Increases - Range from 3.00% to 6.0% per year

Date of most recent experience study - 2009-2014, experience studies are performed at least once in every 5-year period

Mortality Tables –

Pre-retirement males: 100% of RP-2000 Non-Annuitant, Scale AA fully generational;

Pre-retirement females: 100% of RP-2000 Non-Annuitant, Scale AA fully generational;

Post-retirement healthy males: 110% of RP-2000 Healthy Annuitant, Scale AA fully generational;

Post-retirement healthy females: 101% of RP-2000 Healthy 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% to 30.4%

Asset Valuation Method – 4-year 25% smoothing of actuarial gain or (loss) on trust fund return. Total accumulated deferred gain or (loss) amounts are used to adjust the reported Market Value of Assets to determine the Actuarial Value of Assets.

Retirement Rates – 12%-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.

Accrual of Future Service – It is assumed that members will accrue 1 year of service for each future year of employment.

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 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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

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%
TIPS	0.0%	0.0%	2.7%
Core Fixed Income	20.0%	15.0%	2.7%
High Yield Fixed Income	20.0%	0.0%	5.5%
Hedge Fund	0.0%	10.0%	4.7%
Real Estate	0.0%	10.0%	7.0%
Total		100.0%	

Cash (Included in Fixed Income above) \$19,000,000*

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

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

Period	Actual	Target
One-year	(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 projection 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 chart presents the sensitivity of the County's proportionate share of the net pension liability calculated using the discount rate as used in the actuarial valuation, 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 or 1 percentage point higher 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 asset / (liability)	\$ (6,547,611)	\$ (2,365,091)	\$ 1,171,195

Trend Information. The required contribution and the percentage of that amount contributed for the past six (6) years is as follows:

**JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED**

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2018	\$ 838,372	100%
2017	\$ 903,125	100%
2016	\$ 1,033,926	100%
2015	\$ 1,024,710	100%
2014	\$ 1,079,680	100%
2013	\$ 1,014,046	100%

Pension plan's fiduciary net position. PERS issues a publicly available financial report that includes financial statements and required supplementary information. Detailed information about the pension plan's fiduciary net position is available in a separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained by writing to the WV Consolidated Public Retirement Board, 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

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

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 governmental entity contribution rate was 12.0% of covered payroll for the fiscal years ending June 30, 2018, 2017, and 2016.

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

At fiscal year end, the County reported the following liabilities for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 reported the following proportions and increase / (decrease) from its proportion measured as of June 30, 2016:

	<u>WVDRS</u>
Amount for proportionate share of net pension liability	\$ 122,429
Percentage for proportionate share of net pension liability	3.341448 %
Increase / (decrease) % from prior proportion measured	(0.161220) %

For this fiscal year, the County recognized the following pension expenses:

Proportionate share of pension expense	\$ 64,257
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	(6,414)
Total pension expense	<u>\$ 57,843</u>

The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (132,423)
Changes in assumptions	-	(90,855)
Changes in proportion and differences between County contributions and proportionate share of contributions	32,919	(73,715)
Differences between expected and actual experience	54,399	(290,977)
County contributions subsequent to the measurement date	<u>229,753</u>	<u>-</u>
Total	<u>\$ 317,071</u>	<u>\$ (587,970)</u>

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

The amount 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, 2019.

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:	
2019	\$ (120,458)
2020	(26,630)
2021	(65,658)
2022	(159,616)
2023	(60,488)
2024	(67,798)
Total	<u>\$ (500,648)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method - Entry Age Cost Method with Aggregate Normal Cost; and the level percentage of aggregate 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 - 2011-2016

Mortality Tables -

Active: 100% of RP-2014 Non-Annuitant (sex-distinct), Scale MP-2016 fully generational;
Healthy male retirees: 103% of RP-2014 Male Healthy Annuitant tables, Scale MP-2016 fully generational;
Healthy female retirees: 100% of RP-2014 Female Healthy Annuitant tables, Scale MP-2016 fully generational;
Disabled Males: 100% of RP-2014 Male Disabled Annuitant table, Scale MP-2016 fully generational; and
Disabled Females: 100% of RP-2014 Female Disabled Annuitant table, Scale MP-2016 fully generational.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

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

Asset Valuation Method – Reported market value of assets as of the actuarial valuation date.

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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Disability Rates –

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

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

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

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

Inflation Rate – 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.

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

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%	15.0%	2.7%
High Yield Fixed Income	20.0%	0.0%	5.5%
Hedge Fund	0.0%	10.0%	4.7%
TIPS	0.0%	0.0%	2.7%
Real Estate	0.0%	10.0%	7.0%
Total		100.0%	

Cash (Included in Fixed Income above) \$250,000*

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

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

Period	Actual	Target
One-year	(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.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following chart presents the sensitivity of the County's proportionate share of the net pension liability calculated using the discount rate as used in the actuarial valuation, 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 or 1 percentage point higher 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 asset / (liability)	\$ (1,086,572)	\$ (125,204)	\$ 666,218

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

V. EMPLOYEE RETIREMENT SYSTEM AND PLANS (continued)

Trend Information. The required contribution and the percentage of that amount contributed for the past six (6) years is as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2018	\$ 229,753	100%
2017	\$ 200,645	100%
2016	\$ 207,263	100%
2015	\$ 206,368	100%
2014	\$ 225,010	100%
2013	\$ 202,415	100%

Pension plan's fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. WVDRS issues a publicly available financial report that includes financial statements and required supplementary information. That information can also be obtained by writing to the WV Consolidated Public Retirement Board, Deputy Sheriff Death, Disability and Retirement Plan, 4101 MacCorkle Avenue, SE, Charleston, WV 25304 or by calling (304) 558-3570.

VI. SUMMARY OF DEFERRED OUTFLOW / INFLOW BALANCES

	<u>Total</u>	<u>PERS</u>	<u>WVDRS</u>
Net difference between projected and actual earnings on pension plan investments	\$ (707,415)	\$ (574,992)	\$ (132,423)
Changes in assumptions	(213,530)	(122,675)	(90,855)
Changes in proportion and differences between County contributions and proportionate share of contributions	(46,277)	(5,481)	(40,796)
Differences between expected and actual experience	(31,337)	205,241	(236,578)
County contributions subsequent to the measurement date	<u>1,068,125</u>	<u>838,372</u>	<u>229,753</u>
Total	<u>\$ 69,566</u>	<u>\$ 340,465</u>	<u>\$ (270,899)</u>

**JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018
UNAUDITED**

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REQUIRED SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2018
UNAUDITED

Jefferson County Commission Other Post Employment Benefits Plan
June 30, 2018

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
July 1, 2017	\$ -	\$ 1,733,472	\$ 1,733,472	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	\$ 111,911	\$ 84,506	76%	\$ 53,195
2017	\$ 110,849	\$ 74,320	67%	\$ 89,724
2018	\$ 110,108	\$ 73,512	67%	\$ 126,320

Schedule of County Contributions

Last seven (7) fiscal years

	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 73,512	\$ 74,320	\$ 84,506	\$ 86,655	\$ 81,240	\$ 77,476	\$ 82,969
Contributions in relation to the contractually required contribution	(73,512)	(74,320)	(84,506)	(86,655)	(81,240)	(77,476)	(82,969)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**JEFFERSON COUNTY, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2018
UNAUDITED**

**Schedules of the County's Proportionate Share of the Net Pension Liability
June 30, 2018**

West Virginia Public Employee's Retirement System (PERS) Pension Plan

Last five (5) Fiscal Years*

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.547925%	0.555790%	0.539720%	0.555968%	0.541279%
County's proportionate share of the net pension liability (asset)	\$ 2,369,688	\$ 5,108,365	\$ 3,013,818	\$ 2,051,953	\$ 4,934,460
County's covered-employee payroll	\$ 7,621,561	\$ 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	31.1%	67.9%	39.4%	28.0%	66.0%
Plan fiduciary net position as a percentage of the total pension liability	93.67%	86.11%	91.29%	93.98%	84.58%

* Applicable information was available for five (5) years for this schedule. The amounts presented for each fiscal year were determined as of 07/01.

West Virginia Public Deputy Sheriff Retirement System (WVDRS) Pension Plan

Last five (5) Fiscal Years*

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	3.341448%	3.502668%	3.464242%	3.736381%	3.558767%
County's proportionate share of the net pension liability (asset)	\$ 122,429	\$ 1,115,109	\$ 710,585	\$ 637,099	\$ 1,192,329
County's covered-employee payroll	\$ 1,914,605	\$ 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	6.4%	66.7%	41.1%	38.6%	68.9%
Plan fiduciary net position as a percentage of the total pension liability	98.17%	84.48%	89.31%	90.52%	80.20%

* Applicable information was available for five (5) years for this schedule. 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, 2018
UNAUDITED

Schedules of County Contributions
June 30, 2018

West Virginia Public Employee's Retirement System (PERS) Pension Plan
Last five (5) Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 838,372	\$ 903,125	\$ 1,033,926	\$ 1,024,710	\$ 1,079,680
Contributions in relation to the contractually required contribution	<u>(838,372)</u>	<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>	<u>\$ -</u>
County's covered-employee payroll	\$ 7,621,561	\$ 7,526,047	\$ 7,658,711	\$ 7,319,363	\$ 7,481,013
Contributions as a percentage of covered-employee payroll	11.0%	12.0%	13.5%	14.0%	14.4%

West Virginia Public Deputy Sheriff Retirement System (WVDRS) Pension Plan
Last five (5) Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 229,753	\$ 200,645	\$ 207,263	\$ 206,368	\$ 225,010
Contributions in relation to the contractually required contribution	<u>(229,753)</u>	<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>	<u>\$ -</u>
County's covered-employee payroll	\$ 1,914,605	\$ 1,672,041	\$ 1,727,192	\$ 1,650,943	\$ 1,730,843
Contributions as a percentage of covered-employee payroll	12.0%	12.0%	12.0%	12.5%	13.0%

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

NOTE A- RELATED TO OTHER POST EMPLOYMENT BENEFITS PLAN (OPEB)

Changes of assumptions. In the July 1, 2017 actuarial valuation, the Discount Rate and Actuarial Cost Method were changed per GASB 75 rules. In the July 1, 2017 actuarial valuation, the starting per capita costs were updated using the most recent premiums paid. In the July 1, 2017 actuarial valuation, the expectation of retired life mortality table was based on the RP-2014 Combined Annuitant Mortality Table for males and females rather than on the RP-2000 Combined Mortality Table.

SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018
UNAUDITED

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through/ Project Number	Federal Expenditures
<u>National Highway Traffic Safety Administration</u>			
Pass-Through State of West Virginia Department of Transportation, Division of Motor Vehicles:			
Highway Safety-Safe Communities	20.600	F18-HS-06-402	254,313
Highway Safety-Traffic Records	20.616	F18-HS-06-405c	14,192
Highway Safety-Impaired Driving	20.616	F18-HS-06-405d	693
Total National Highway Traffic Safety Administration			269,198
<u>U.S. Department of Homeland Security</u>			
Pass-Through State of West Virginia Division of Homeland Security and Emergency Management:			
Emergency Management Performance Grant	97.042	2018EMPG	50,791
Emergency Management Performance Grant	97.042	2017EMPG	44,935
Subtotal Emergency Management Performance Grant			95,726
Homeland Security Grant - NV Goggles / LPR	97.067	17-LE-25	85,000
Homeland Security Grant - Portable Radios	97.067	17-LE-24	80,000
Subtotal Homeland Security Grant			165,000
Total U.S. Department of Homeland Security			260,726
<u>U.S. Department of Justice</u>			
Pass-Through State of West Virginia Division of Justice & Community Services:			
Crime Victim Assistance	16.575	15-VA-092	22,069
Crime Victim Assistance	16.575	16-VA-027	54,120
Juvenile Justice and Delinquency Prevention	16.540	16-JJP-006	20,000
Enforcing Underage Drinking Laws Program	16.727	16-08	7,205
Total U.S. Department of Justice			103,394
<u>U.S. Department of the Interior, Office of the Secretary</u>			
Direct Programs:			
Payment in Lieu of Taxes	15.226	N/A	6,992
Total U.S. Department of the Interior, Office of the Secretary			6,992
<u>U.S. Department of the Interior, Fish and Wildlife Service</u>			
Direct Programs:			
National Wildlife Refuge Fund - Revenue Sharing	15.659	N/A	10,601
Total U.S. Department of the Interior, Fish and Wildlife Service			10,601
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 650,911

JEFFERSON COUNTY, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018
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, 2018. 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, 2018

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance with
	Original	Final	Modified	Budget	Budget	Final Budget
			Accrual Basis	Basis	Basis	Positive (Negative)
REVENUES:						
Miscellaneous	\$ 585,157	\$ 585,157	\$ 641,664	(2,040)	\$ 639,624	\$ 54,467
Total revenues	585,157	585,157	641,664	(2,040)	639,624	54,467
EXPENDITURES:						
Current:						
General government	118,100	118,100	85,554	(270)	85,284	32,816
Capital outlay	--	--	26,970	(26,970)	--	--
Total expenditures	118,100	118,100	112,524	(27,240)	85,284	32,816
Excess (deficiency) of revenues over expenditures	467,057	467,057	529,140	25,200	554,340	87,283
OTHER FINANCING SOURCES (USES)						
Transfers (out)	(537,538)	(537,538)	(485,329)	--	(485,329)	52,209
Total other financing sources (uses)	(537,538)	(537,538)	(485,329)	--	(485,329)	52,209
Net change in fund balance	(70,481)	(70,481)	43,811	25,200	69,011	139,492
Fund balance at beginning of year	70,481	70,481	373,932	(26,970)	346,962	276,481
Fund balance at end of year	\$ --	\$ --	\$ 417,743	\$ (1,770)	\$ 415,973	\$ 415,973

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JEFFERSON COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2018

	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	\$ 1,433	\$ --	\$ 1,464	\$ 33,241	\$ 33,160	\$ --	\$ 2,501
Receivables, net:							
Accounts	--	--	--	--	--	--	--
Intergovernmental Receivables	565	--	--	--	787	--	58,188
Due from:							
Other governments	--	--	--	--	--	--	--
Prepaid expenses	--	--	--	--	--	--	--
Total assets	<u>1,998</u>	<u>--</u>	<u>1,464</u>	<u>33,241</u>	<u>33,947</u>	<u>--</u>	<u>60,689</u>
Deferred Outflows:							
Total deferred outflows of resources	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	<u>\$ 1,998</u>	<u>\$ --</u>	<u>\$ 1,464</u>	<u>\$ 33,241</u>	<u>\$ 33,947</u>	<u>\$ --</u>	<u>\$ 60,689</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	--	22,070	--	--	51	--	58,188
Due to:							
Other funds	--	--	--	--	--	--	--
Other governments	--	--	--	--	--	--	4,862
Total liabilities	<u>--</u>	<u>22,070</u>	<u>--</u>	<u>--</u>	<u>51</u>	<u>--</u>	<u>63,050</u>
Deferred Inflows:							
Total deferred inflows of resources	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	<u>--</u>	<u>22,070</u>	<u>--</u>	<u>--</u>	<u>51</u>	<u>--</u>	<u>63,050</u>
Fund balances:							
Nonspendable	--	--	--	--	--	--	--
Restricted	1,998	(22,070)	1,464	33,241	33,896	--	(2,361)
Committed	--	--	--	--	--	--	--
Assigned	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total fund balances	<u>1,998</u>	<u>(22,070)</u>	<u>1,464</u>	<u>33,241</u>	<u>33,896</u>	<u>--</u>	<u>(2,361)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,998</u>	<u>\$ --</u>	<u>\$ 1,464</u>	<u>\$ 33,241</u>	<u>\$ 33,947</u>	<u>\$ --</u>	<u>\$ 60,689</u>

JEFFERSON COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2018

	Flood Hazard Mitigation 023	Waste Coal 039	Ambulance Service Fee 053	Assessor's Valuation 056	Farmland Protection 057	Financial Stabilization 058	Concealed Weapons 059
ASSETS AND DEFERRED OUTFLOWS							
Assets:							
Current:							
Cash and cash equivalents	\$ 34,959	\$ 8,478	\$ --	\$ 415,973	\$ 3	\$ 610,013	\$ 51,826
Receivables, net:							
Accounts	--	--	352,424	--	--	--	--
Intergovernmental Receivables	--	--	--	2,040	76,342	--	--
Due from:							
Other governments	--	--	222,124	--	--	--	--
Prepaid expenses	--	--	--	105	--	--	--
Total assets	<u>34,959</u>	<u>8,478</u>	<u>574,548</u>	<u>418,118</u>	<u>76,345</u>	<u>610,013</u>	<u>51,826</u>
Deferred Outflows:							
Total deferred outflows of resources	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	<u>\$ 34,959</u>	<u>\$ 8,478</u>	<u>\$ 574,548</u>	<u>\$ 418,118</u>	<u>\$ 76,345</u>	<u>\$ 610,013</u>	<u>\$ 51,826</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	--	--	2,057	375	76,342	--	--
Due to:							
Other funds	--	--	70,071	--	--	--	--
Other governments	--	--	--	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>72,128</u>	<u>375</u>	<u>76,342</u>	<u>--</u>	<u>--</u>
Deferred Inflows:							
Total deferred inflows of resources	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	<u>--</u>	<u>--</u>	<u>72,128</u>	<u>375</u>	<u>76,342</u>	<u>--</u>	<u>--</u>
Fund balances:							
Nonspendable	--	--	--	105	--	--	--
Restricted	34,959	8,478	502,420	417,638	3	610,013	51,826
Committed	--	--	--	--	--	--	--
Assigned	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total fund balances	<u>34,959</u>	<u>8,478</u>	<u>502,420</u>	<u>417,743</u>	<u>3</u>	<u>610,013</u>	<u>51,826</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 34,959</u>	<u>\$ 8,478</u>	<u>\$ 574,548</u>	<u>\$ 418,118</u>	<u>\$ 76,345</u>	<u>\$ 610,013</u>	<u>\$ 51,826</u>

JEFFERSON COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2018

	Voter's Registration 063	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	\$ --	\$ 34,151	\$ 25,547	\$ 22,223	\$ 172	\$ --	\$ 1,275,144
Receivables, net:							
Accounts	--	--	--	--	--	--	352,424
Intergovernmental Receivables	--	--	--	--	--	--	137,922
Due from:							
Other governments	--	--	--	--	--	--	222,124
Prepaid expenses	--	--	--	--	--	--	105
Total assets	--	34,151	25,547	22,223	172	--	1,987,719
Deferred Outflows:							
Total deferred outflows of resources	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ --	\$ 34,151	\$ 25,547	\$ 22,223	\$ 172	\$ --	\$ 1,987,719
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	--	--	--	--	--	--	159,083
Due to:							
Other funds	--	34,187	--	--	--	--	104,258
Other governments	--	--	--	--	--	--	4,862
Total liabilities	--	34,187	--	--	--	--	268,203
Deferred Inflows:							
Total deferred inflows of resources	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	--	34,187	--	--	--	--	268,203
Fund balances:							
Nonspendable	--	--	--	--	--	--	105
Restricted	--	(36)	25,547	22,223	172	--	1,719,411
Committed	--	--	--	--	--	--	--
Assigned	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total fund balances	--	(36)	25,547	22,223	172	--	1,719,516
Total liabilities, deferred inflows and fund balances	\$ --	\$ 34,151	\$ 25,547	\$ 22,223	\$ 172	\$ --	\$ 1,987,719

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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, 2018

	Dog & Kennel 003	General School 004	Magistrate Court 005	Worthless Check 006	Home Confinement 008	Federal Grants 009
REVENUES						
Taxes:						
Licenses and permits	\$ 26,217	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental:						
Federal	--	--	--	--	--	--
State	--	--	--	--	--	--
Local	--	--	--	--	--	--
Charges for services	12,901	--	--	--	--	--
Fines and forfeits	--	277,918	40,435	750	45,625	--
Interest and investment earnings	31	--	17	16	26	--
Reimbursements	--	--	--	--	--	--
Contributions and donations	1,164	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--
Total revenues	<u>40,313</u>	<u>277,918</u>	<u>40,452</u>	<u>766</u>	<u>45,651</u>	<u>--</u>
EXPENDITURES						
Current:						
General government	--	22,070	1,400	--	--	--
Public safety	3,651	--	--	--	30,207	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Total expenditures	<u>3,651</u>	<u>22,070</u>	<u>1,400</u>	<u>--</u>	<u>30,207</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	<u>36,662</u>	<u>255,848</u>	<u>39,052</u>	<u>766</u>	<u>15,444</u>	<u>--</u>
OTHER FINANCING SOURCES (USES)						
Transfers (out)	<u>(41,943)</u>	<u>(266,698)</u>	<u>(37,650)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)	<u>(41,943)</u>	<u>(266,698)</u>	<u>(37,650)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(5,281)	(10,850)	1,402	766	15,444	--
Fund balances - beginning	<u>7,279</u>	<u>(11,220)</u>	<u>62</u>	<u>32,475</u>	<u>18,452</u>	<u>--</u>
Fund balances - ending	<u>\$ 1,998</u>	<u>\$ (22,070)</u>	<u>\$ 1,464</u>	<u>\$ 33,241</u>	<u>\$ 33,896</u>	<u>\$ --</u>

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, 2018

State Grants 010	Flood Hazard Mitigation 023	Waste Coal 039	Ambulance Service Fee 053	Assessor's Valuation 056	Farmland Protection 057	Financial Stabilization 058
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--
222,811	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	887,478	17,260	--	--
--	--	--	--	--	--	--
--	--	42	419	--	22	--
--	--	--	--	620,529	--	--
--	--	--	--	--	--	--
--	--	--	--	3,875	970,973	--
<u>222,811</u>	<u>--</u>	<u>42</u>	<u>887,897</u>	<u>641,664</u>	<u>970,995</u>	<u>--</u>
167,613	--	--	--	73,156	970,993	--
1,440	--	--	873,372	--	--	--
50,298	--	--	--	--	--	--
--	--	--	--	39,368	--	--
<u>219,351</u>	<u>--</u>	<u>--</u>	<u>873,372</u>	<u>112,524</u>	<u>970,993</u>	<u>--</u>
3,460	--	42	14,525	529,140	2	--
<u>(5,821)</u>	<u>--</u>	<u>--</u>	<u>(70,071)</u>	<u>(485,329)</u>	<u>--</u>	<u>--</u>
<u>(5,821)</u>	<u>--</u>	<u>--</u>	<u>(70,071)</u>	<u>(485,329)</u>	<u>--</u>	<u>--</u>
(2,361)	--	42	(55,546)	43,811	2	--
--	34,959	8,436	557,966	373,932	1	610,013
<u>\$ (2,361)</u>	<u>\$ 34,959</u>	<u>\$ 8,478</u>	<u>\$ 502,420</u>	<u>\$ 417,743</u>	<u>\$ 3</u>	<u>\$ 610,013</u>

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, 2018

Concealed Weapons 059	Voter's Registration 063	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
\$ 49,905	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 76,122
--	--	--	--	--	--	--	--
--	--	38,887	--	--	--	--	261,698
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	917,639
--	--	--	--	--	--	--	364,728
54	1	--	28	10	--	--	666
--	--	--	--	--	--	--	620,529
--	--	--	--	--	--	--	1,164
8,209	549	--	29,198	5,618	--	--	1,018,422
58,168	550	38,887	29,226	5,628	--	--	3,260,968
--	550	36,600	--	500	--	--	1,272,882
41,286	--	--	16,167	--	--	--	966,123
--	--	--	--	--	--	--	50,298
30,989	--	--	26,834	--	--	--	97,191
72,275	550	36,600	43,001	500	--	--	2,386,494
(14,107)	--	2,287	(13,775)	5,128	--	--	874,474
--	--	--	--	--	--	(7,729)	(915,241)
--	--	--	--	--	--	(7,729)	(915,241)
(14,107)	--	2,287	(13,775)	5,128	--	(7,729)	(40,767)
65,933	--	(2,323)	39,322	17,095	172	7,729	1,760,283
\$ 51,826	\$ --	\$ (36)	\$ 25,547	\$ 22,223	\$ 172	\$ --	\$ 1,719,516

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JEFFERSON COUNTY, WEST VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2018 (unaudited)

	State Funds							
	<u>State Current</u>	<u>Criminal Charges</u>	<u>Court Reporter</u>	<u>Deputy Sheriff Retirement</u>	<u>Vehicle Licenses</u>	<u>State Fines</u>	<u>State Police</u>	<u>Total State</u>
ASSETS								
Cash and cash equivalents	\$ --	\$ 101	\$ 107	\$ 1	\$ 5	\$ 200	\$ 60	\$ 474
Receivables, net of allowance for uncollectibles:								
Taxes	<u>12,873</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,873</u>
Total assets	<u>\$ 12,873</u>	<u>\$ 101</u>	<u>\$ 107</u>	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 200</u>	<u>\$ 60</u>	<u>\$ 13,347</u>
LIABILITIES								
Due to other governments	<u>\$ 12,873</u>	<u>\$ 101</u>	<u>\$ 107</u>	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 200</u>	<u>\$ 60</u>	<u>\$ 13,347</u>
Total liabilities	<u>\$ 12,873</u>	<u>\$ 101</u>	<u>\$ 107</u>	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 200</u>	<u>\$ 60</u>	<u>\$ 13,347</u>

JEFFERSON COUNTY, WEST VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2018 (unaudited)

<u>School Funds</u>				
	<u>School Current</u>	<u>School Excess</u>	<u>Debt Service</u>	<u>Total School</u>
ASSETS				
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --
Receivables, net of allowance for uncollectibles:				
Taxes	<u>998,913</u>	<u>1,181,704</u>	<u>96,847</u>	<u>2,277,464</u>
Total assets	<u>\$ 998,913</u>	<u>\$ 1,181,704</u>	<u>\$ 96,847</u>	<u>\$ 2,277,464</u>
LIABILITIES				
Due to other governments	\$ 998,913	\$ 1,181,704	\$ 96,847	\$ 2,277,464
Total liabilities	<u>\$ 998,913</u>	<u>\$ 1,181,704</u>	<u>\$ 96,847</u>	<u>\$ 2,277,464</u>

JEFFERSON COUNTY, WEST VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2018 (unaudited)

	<u>Cities</u>					
	<u>Bolivar Current</u>	<u>Charles Town Current</u>	<u>Harpers Ferry Excess</u>	<u>Ranson Current</u>	<u>Shepherdstown Excess</u>	<u>Total Municipal</u>
ASSETS						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Receivables, net of allowance for uncollectibles:						
Taxes	<u>6,798</u>	<u>74,538</u>	<u>5,065</u>	<u>76,417</u>	<u>10,869</u>	<u>173,687</u>
Total assets	<u>\$ 6,798</u>	<u>\$ 74,538</u>	<u>\$ 5,065</u>	<u>\$ 76,417</u>	<u>\$ 10,869</u>	<u>\$ 173,687</u>
LIABILITIES						
Due to other governments	<u>\$ 6,798</u>	<u>\$ 74,538</u>	<u>\$ 5,065</u>	<u>\$ 76,417</u>	<u>\$ 10,869</u>	<u>\$ 173,687</u>
Total liabilities	<u>\$ 6,798</u>	<u>\$ 74,538</u>	<u>\$ 5,065</u>	<u>\$ 76,417</u>	<u>\$ 10,869</u>	<u>\$ 173,687</u>

JEFFERSON COUNTY, WEST VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2018 (unaudited)

	<u>County Offices</u>					<u>Total County Offices</u>
	<u>County Clerk</u>	<u>Circuit Clerk</u>	<u>Sheriff</u>	<u>Assessor</u>	<u>Other Offices</u>	
ASSETS						
Cash and cash equivalents	\$ 261,282	\$ 191,993	\$ 12,371	\$ --	\$ 744,601	\$ 1,210,247
Receivables, net of allowance for uncollectibles:						
Taxes	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 261,282</u>	<u>\$ 191,993</u>	<u>\$ 12,371</u>	<u>\$ --</u>	<u>\$ 744,601</u>	<u>\$ 1,210,247</u>
LIABILITIES						
Due to other governments	<u>\$ 261,282</u>	<u>\$ 191,993</u>	<u>\$ 12,371</u>	<u>\$ --</u>	<u>\$ 744,601</u>	<u>\$ 1,210,247</u>
Total liabilities	<u>\$ 261,282</u>	<u>\$ 191,993</u>	<u>\$ 12,371</u>	<u>\$ --</u>	<u>\$ 744,601</u>	<u>\$ 1,210,247</u>

JEFFERSON COUNTY, WEST VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2018 (unaudited)

	<u>Tax Lien</u>	<u>Delinquent Nonentered Land</u>	<u>Total Agency</u>
ASSETS			
Cash and cash equivalents	\$ 258,707	\$ 10,118	\$ 1,479,546
Receivables, net of allowance for uncollectibles:			
Taxes	<u>- -</u>	<u>- -</u>	<u>2,464,024</u>
Total assets	<u>\$ 258,707</u>	<u>\$ 10,118</u>	<u>\$ 3,943,570</u>
LIABILITIES			
Due to other governments	<u>\$ 258,707</u>	<u>\$ 10,118</u>	<u>3,943,570</u>
Total liabilities	<u>\$ 258,707</u>	<u>\$ 10,118</u>	<u>\$ 3,943,570</u>

